

GALENA PARK

Independent School District



Comprehensive Annual Financial Report

For the Year Ended August 31, 2020

**Comprehensive
Annual Financial Report**

**For the Fiscal Year Ended
August 31, 2020**

**GALENA PARK INDEPENDENT SCHOOL
DISTRICT**

14705 Woodforest Blvd., Houston, Texas 77015

Prepared By the Business Services Department:

**Sonya George, CPA
Chief Financial Officer and Deputy Superintendent for Operational Support**

**Dina Edgar
Assistant Superintendent for Business Services**

**Ida A. Schultze, CPA, RTSBA
Executive Director of Budget and Financial Support Services**

**Renee Beck, RTSBA
Director of Accounting**

GALENA PARK INDEPENDENT SCHOOL DISTRICT
TABLE OF CONTENTS

	Page	Exhibit
Introductory Section		
Principal Officials and Advisors	i	
Certificate of Board	ii	
Transmittal Letter	iii	
Organizational Chart	viii	
GFOA Certificate of Achievement	ix	
ASBO Certificate of Excellence	x	
 Financial Section		
Independent Auditors' Report	3	
Management's Discussion and Analysis	7	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	18	A-1
Statement of Activities	19	B-1
Governmental Fund Financial Statements:		
Balance Sheet	20	C-1
Reconciliation of Balance Sheet for Governmental Funds to Statement of Net Position	21	C-2
Statement of Revenues, Expenditures, and Changes In Fund Balance	22	C-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	23	C-4
Proprietary Fund Financial Statements:		
Statement of Net Position	24	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	25	D-2
Statement of Cash Flows	26	D-3
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	27	E-1
Statement of Changes in Fiduciary Net Position	28	E-2
Notes to the Financial Statements	29	F-1
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	64	G-1
Notes to Required Supplementary Information	65	G-2
Schedule of the District's Proportionate Share of the Net Pension Liability	66	G-3
Schedule of the District's Pension Contributions - Teacher Retirement System of Texas	67	G-4
Notes to Required Supplementary Information - Pension	68	G-5
Schedule of the District's Proportionate Share of the Net OPEB Liability	69	G-6
Schedule of the District's OPEB Contributions - Teacher Retirement System of Texas	70	G-7
Notes to Required Supplementary Information - OPEB	71	G-8
Other Supplementary Information:		
Combining Fund Statements:		
Non-major Governmental Funds:		
Combining Balance Sheet	76	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	82	H-2
Schedule of Delinquent Taxes Receivable	88	J-1
Budgetary Comparison Schedule - National School Breakfast and Lunch Program	90	J-2
Budgetary Comparison Schedule - Debt Service Fund	91	J-3

GALENA PARK INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Table</u>
Statistical Section		
Net Position by Component	96	1
Changes in Net Position	98	2
Fund Balances of Governmental Funds	100	3
Changes in Fund Balances of Governmental Funds	102	4
Revenue by Source for Governmental Funds	104	5
Assessed Value and Actual Value of Taxable Property	106	6
Property Tax Rates - Direct and Overlapping Governments	108	7
Principal Taxpayers	110	8
Property Tax Levies & Collections	111	9
Ratios of Outstanding Debt by Type	112	10
Ratios of Net General Obligation Bonded Debt Outstanding	113	11
Computation of Estimated Direct and Overlapping Debt	115	12
Legal Debt Margin Information	116	13
Demographic and Economic Statistics	118	14
Principal Employers	119	15
Full-Time Equivalent District Employees	120	16
Operating Statistics	122	17
Teacher Base Salaries	125	18
School Building Information	126	19

INTRODUCTORY SECTION



Galena Park
Independent School District

GALENA PARK INDEPENDENT SCHOOL DISTRICT
Principal Officials and Advisors
As of August 31, 2020

Board of Trustees

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Length of Service</u>	<u>Occupation</u>
Ramon Garza	President	2022	10 years	Insurance Agent
Jeff Miller	Vice-President	2022	23 years	Independent Insurance Agent
Adrian Stephens	Secretary	2021	3 year	Education and Sales
Wanda Heath Johnson	Board Trustee	2021	15 years	Retired
Wilfred J. Broussard, Jr.	Board Trustee	2020	12 years	Real Estate Broker
Noe Esparza	Board Trustee	2020	2 years	Industrial Sales
Norma Hernandez	Board Trustee	2020	2 years	Retired

Administrative Officials

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
John C. Moore, Ed.D.	Superintendent	29 years
Wanna Giacona, Ed.D.	Chief Administrative Officer	26 years
Sonya George, CPA	Chief Financial Officer & Deputy Superintendent for Operational Support	9 years
Elizabeth Lalor	Deputy Superintendent for Educational Support and School Administration	29 years
Terri Moore	Associate Superintendent for Accountability and Academic Support	29 years
Dina Edgar	Assistant Superintendent for Business Services	3 years
Mike Mckay	Assistant Superintendent for Human Resource Services	21 years
David Harris, Ed.D.	Assistant Superintendent for Educational Support and School Administration	3 years
Mechelle Epps, Ed.D.	Assistant Superintendent for Student Support Services	23 years
Hollice Malloy	Assistant Superintendent for Curriculum & Instruction and Professional Development	6 years

Consultants and Advisors

Bond Counsel	Holland and Knight LLP, Houston, Texas
Financial Advisor	SAMCO Capital Markets, Inc., Plano, Texas
Independent Auditors	Whitley Penn, LLP, Houston, Texas
Chief Appraiser	Harris County Appraisal District

CERTIFICATE OF BOARD

Galena Park Independent School District
Name of School District

Harris
County

101-910
Co.– Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2020, at a meeting of the board of trustees of such school district on January 11, 2021.

Ramon Garza
President of the Board

Adrian Stephens
Secretary of the Board



GALENA PARK INDEPENDENT SCHOOL DISTRICT
A Texas Recognized School District

14705 Woodforest Blvd.

Houston, TX 77015

832-386-1204

January 11, 2021

To the Board of Trustees and Taxpayers of the Galena Park Independent School District:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Galena Park Independent School District (the “District”) for the fiscal year ended August 31, 2020.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. The District’s financial statements have been audited by Whitley Penn, LLP, CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the District’s financial statements for the period ended August 31, 2020, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is

designed to complement 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 auditors.

Profile of the District

The Galena Park Independent School District encompasses 34 square miles and is located in southeastern Harris County, Texas. Interstate Highway 10 bisects the District. While a small portion of the District is located inside the city limits of Houston, it also includes portions of the incorporated cities of Galena Park, Jacinto City, and the unincorporated communities of Greens Bayou, Woodland Acres, and the Cloverleaf Addition. The District is one of the largest employers in East Harris County with more than 3,000 employees. The District is not included in any other governmental "reporting entity" since the Board of Trustees is elected by the public and has decision-making authority. Residents of the District elect a seven-member Board of Trustees. The respective Trustees serve overlapping three-year terms. There are no component units included in the reporting entity.

The purpose and responsibility of the District is to provide a thorough and efficient educational system for children, pre-kindergarten through grade 12, enrolled in public schools within its boundaries, whereby each child has access to programs and services that are appropriate to his or her educational needs. In addition to its regular educational program, the District offers comprehensive programs in the areas of career and technology education, special education, bilingual education, compensatory education and gifted and talented education. The District is accredited by the Texas Education Agency.

The District's 15 elementary schools, 5 middle schools, 2 high schools, 1 early college high school, and 1 alternative high school campuses are well-known for innovative programs and academic accomplishments. At present there are no charter schools in the District. The District educates children from diverse backgrounds. The student body reflects the cultural diversity of Texas. Of the approximately 22,000 students enrolled, 81% are Hispanic, 15% are African American, 3% are White, and 2% identify themselves as Asian/Pacific Islander, American Indian or of more than one ethnicity. The District expects stable enrollment with little fluctuation over the next several years.

In 2020, the District opened a replacement campus at Jacinto City Elementary. The prior two years marks the commencement of replacement campuses at Cloverleaf Elementary, Galena Park Elementary, North Shore Elementary, and Woodland Acres Elementary, as well as a North Shore Senior High 10th Grade Center addition. There are a number of active construction projects currently underway, consisting of additions to Galena Park High School, and replacement campus for Pyburn Elementary. Note 4 in the Notes to the Financial Statements discusses these projects and the value of construction in progress. When these projects are completed, six of the oldest campuses will have been completely replaced, and significant additions made to two high schools. The age of school buildings ranges from newly constructed to 77 years old. Table 19 in the Statistical Section lists the opening date of each building, in addition to the square footage, enrollment, and capacity.

The annual budget serves as the foundation for the District's financial planning and control. The budget development process begins in January with the Superintendent and administrative leadership team determining the budget parameters that will be used as a guide for the resource allocation process. All of the District's budget managers are required to submit requests for appropriations based on these parameters. Budget requests are forwarded to the Business Services Department for compilation and summarization. The Business Services Department personnel develop the draft budget and prioritize budget requests and potential budget reductions based on the principles established in the Superintendent's budget parameters. The preliminary budget is then presented and discussed with the Board of Trustees. The proposed budget must be prepared by August 20th for the September 1st fiscal year start date. The Board President must call a Board meeting for the purpose of discussing and adopting the budget and tax rate. A public notice of this meeting is required to be published at least 10 days, but not more than 30 days, prior to the public meeting.

The District maintains budgetary controls throughout its financial systems. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official appropriations budget at the functional expenditure level for the general fund, debt service fund and the food service program included in the special revenue fund. Budgetary control is maintained at the

organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are treated as assigned fund balance and are recorded as expenditures in the subsequent year upon receipt of the goods and services.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The District is located in the heart of the Houston Ship Channel industrial area, and the majority of the labor force is employed at nearby chemical plants and oil refineries. The Houston Ship Channel is located just south of the District boundary, and many residents are employed in the industrial area surrounding the Channel. The Port of Houston is one of the largest ports in the world in terms of foreign waterborne tonnage and total tonnage. Each year, more than 9,000 deep vessels and 200,000 barges ship goods through the port, and more than 100 steamship lines offer service, linking Houston with 1,053 ports around the world. A vital element in the infrastructure of Houston and the region, the port maintains a high level of commercial prominence that solidifies its status as a major gateway to global commerce.

A cornerstone of the area economy, the Greater Port of Houston centered along the 52 mile-long Houston Ship Channel, consists of diversified public and private facilities designed for handling general cargo, containers, grain and other dry bulk materials, project and heavy-lift cargo, and other types of cargo. Overall, more than 1.35 million jobs throughout Texas are directly and indirectly related to the diverse global trade and commerce activities at the port. In addition, the port generates nearly \$340 billion of economic activity in Texas each year and more than \$802 billion in economic impact across the nation. Additionally, more than \$5.7 billion in state and local tax revenues are generated by business activities related to the port. Port Houston's economic activity has allowed Texas to remain the leading exporting state for the past eighteen consecutive years.

Economic Outlook. Houston's energy, healthcare, transportation and distribution sectors have historically supported a continuous growth in the District's tax base. Economic output in the U.S. and Texas took a substantial downturn in the second quarter of 2020 due to the unprecedented nature of the economic contraction associated with actions taken to slow the spread of the COVID-19 pandemic. The estimated economic outcome triggered by the pandemic, as well as lower than anticipated oil prices, will direct a downward revision to the state's current biennial budget. In response to the revised state budget forecast, efforts are being made to reduce state expenditures to mitigate the projected deficit. The Texas economy has already begun to show promise of growth, but the return to pre-pandemic levels is currently unknown. The Texas Legislature will convene in January 2021 and lawmakers will prepare to write the next two-year spending plan while taking the projected deficit and recovering economic conditions into consideration.

Access. The District is connected to Downtown Houston via Interstate 10 and is also linked to the entire Houston metropolitan area via the Sam Houston Toll Road. Both of these thoroughfares pass through the center of the District. The District's proximity to Houston provides the area with access to one of the nation's leading centers for medical education and research, many colleges and universities, a dynamic cultural arts community, excellent recreational opportunities, and a national center of commerce, world trade and corporate management.

Relevant Financial Policies

Budget. Budget planning is an integral part of overall program planning so that the budget effectively reflects the District's programs and activities, and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered. Budget planning and evaluation are continuous processes and are a part of each month's activities.

Fund Balance. In order to preserve financial stability, the District must be prepared to respond to cash flow shortages, large or unexpected one-time expenditures, changes in the economy, and changes in state funding. In March 2014, the Board of Trustees approved the local annual operating budget policy that targeted a yearly,

unassigned general fund balance between ten percent and fifteen percent of the total operating expenditures. Additionally, the policy requires the District to target a yearly minimum, restricted debt service fund balance of fifteen percent of annual debt service requirements on all outstanding debt issuance. In the current fiscal year, the general fund unassigned fund balance was \$64.76 million, or 21.6 percent of the operating budget. As a result of the District's strong operational performance and solid expenditure flexibility, Fitch Ratings, Inc. has issued a bond rating of AA+ and Moody's Investors Services, Inc. has upgrading the District's bond rating to Aa1, one of the highest among Texas school districts. A strong fund balance allows the District to respond to unanticipated situations that may arise.

Financial Planning. The District continues to monitor the impact of House Bill 3 (HB3) coming out of the 86th Texas Legislature as one of the most historic and transformative school finance education bills in recent history. The District has also made many adjustments related to the COVID-19 pandemic that have resulted in a financial impact. The District has made efforts to ensure all state and federal funding opportunities are being utilized to minimize the impact of the pandemic on the District's budget. On an ongoing basis, the District adjusts future projections as new data becomes available. The District maintains a Five-year Technology plan, a Multi-year Fleet Replacement plan, a Multi-year Fine Arts refresh plan and a Long-range Facilities plan.

Awards and Acknowledgements

Our District as a whole received many recognitions and achievements during the 2019-20 school year across multiple disciplines organizationally. Galena Park's athletic programs continue to shine with 7 athletic teams advancing to UIL Regional Competitions and North Shore Senior High School earning the UIL Class 6A Division I football state championship two years in a row. Due to restrictions from COVID 19, several of the athletic and fine arts programs were unable to complete their seasons for the 2019-2020 school year.

The Texas Education Agency has awarded the District an "A=Superior" rating for the fiscal year ended August 31, 2019. This is the 18th year of the State's Financial Integrity Rating System of Texas (School FIRST), originally developed in response to Senate Bill 875 of the 76th Texas Legislature. The rating is based upon an analysis of staff and student data reported for the 2018-19 school year and budgetary and actual financial data for the fiscal year ended August 31, 2019. The primary goal of School 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 44 charter and public school districts in the state of Texas to receive the highest rating of five-stars from the Texas Smart Schools organization. Texas Smart Schools uses academic, financial, and demographic data to identify school districts that produce high academic achievement while also maintaining cost-effective operations. GPISD's Smart Score demonstrated high academic progress with very low spending compared to its fiscal peers.

In March 2020, the District's Purchasing Department was recognized with the Award of Merit for Purchasing Operations by the Texas Association of School Business Officials for the sixth time. This award recognizes a district's achievement in implementing best practices in the area of purchasing.

The District expects to be recognized by the Association of School Business Officials International (ASBO) as a fourth-year recipient of the ASBO International Meritorious Budget Award (MBA) for the 2019-20 Budget document after three years of receiving awards for the ASBO International's *Pathway* MBA program. The award recognizes excellence in school budget presentation.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2019.

In order to be awarded the certificates, a governmental unit must publish an efficiently organized Comprehensive Annual Financial Report, the contents of which must conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The District has received the ASBO award for ten consecutive years and the GFOA award for nine years. The certificates are valid for a period of one year only. We believe that our current CAFR continues to meet the requirements of both certificate programs, and it will be submitted accordingly to ASBO and GFOA to determine its eligibility for a 2020 certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances. Finally, we would like to thank the residents of the District for their support of and belief in our public school system, and the teachers and campus teams who provide the quality education for which our District is known.

Respectfully submitted,

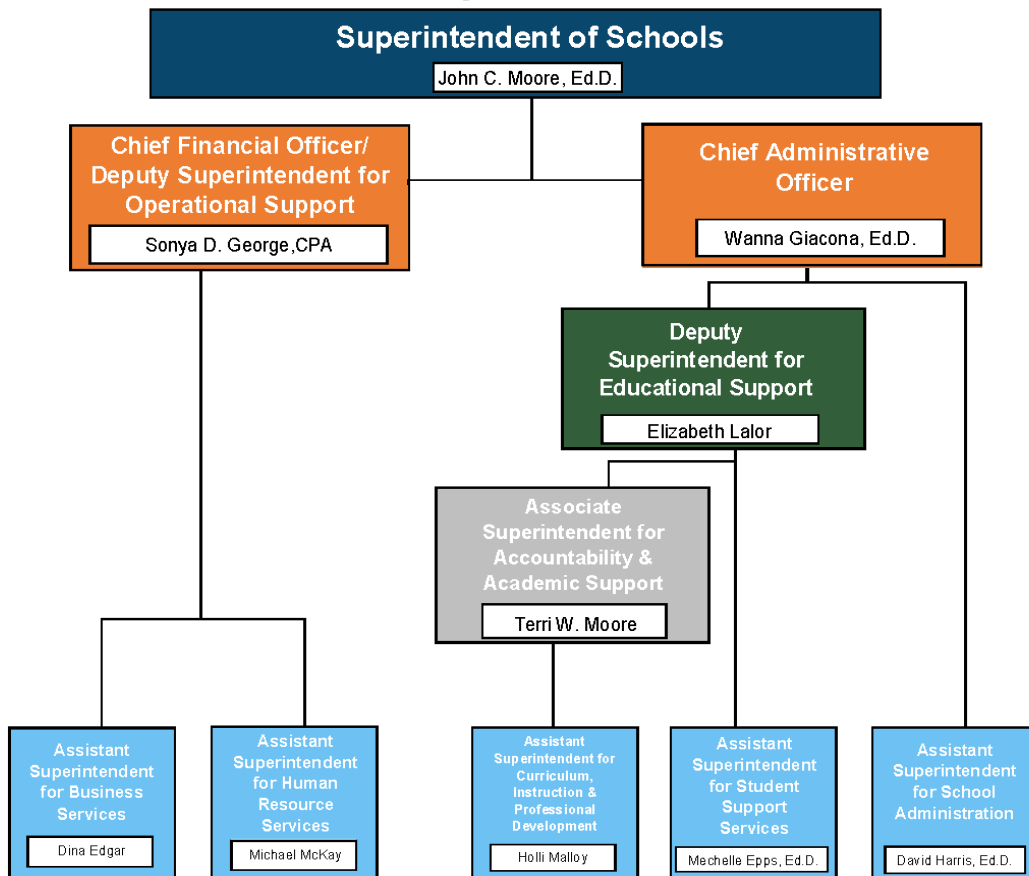
John Moore

John Moore, Ed.D.
Superintendent of Schools

Sonya George

Sonya George, CPA
Chief Financial Officer and Deputy Superintendent of Operational Support

2019-2020
Galena Park Independent School District
Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Galena Park Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

August 31, 2019

Christopher P. Morill

Executive Director/CEO



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

Galena Park Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



Claire Hertz, SFO
President

David J. Lewis
Executive Director

FINANCIAL SECTION



Galena Park
Independent School District

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Galena Park Independent School District
Houston, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Galena Park Independent School District (the "District") as of and for the year ended August 31, 2020, and the related notes to 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2020, 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 the management's discussion and analysis, budgetary comparison information, pension information, and other post-employment benefit information included in the Required Supplementary Information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 introductory section, combining and individual nonmajor fund financial statements and schedules, compliance schedule, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and compliance schedule as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and compliance schedule as listed in the table of contents, 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 it.

To the Board of Trustees
Galena Park Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2021, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
January 11, 2021



Galena Park
Independent School District

GALENA PARK INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report, and the District's 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 August 31, 2020 by \$53,617,277 (net position). Of this amount, unrestricted net position represents a deficit net position of \$45,243,522. This deficit is mainly due to reflecting the District's proportionate share of the net pension liability and net other post-employment benefit liability in the financial statements as required by the Governmental Accounting Standards Board. Accounting for these long-term liabilities does not affect the financial stability of the District, nor does it change how the District conducts its financial decision-making. Rather, the District is reflecting its portion of the liabilities that the State of Texas manages and operates. The District's total net position increased by \$13,049,258.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$299,434,375, an increase of \$84,944,155 in comparison with the prior year. The overall increase in governmental fund balances was primarily due to an increase in the capital projects fund balance of \$73,752,569 in addition to an increase in the general fund balance of \$11,105,111. The unassigned fund balance in the general fund represents 28.5 percent of the total general fund expenditures.
- The District's total bonded debt increased by \$89,686,354, or 24 percent during the current fiscal year.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Facilities Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Bond Issuance Costs and Fees, Facilities Repairs and Maintenance, and Payments to Appraisal Districts.

The government-wide financial statements can be found on pages 18 through 19 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds. Data from the other twenty-three governmental funds are combined into 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, debt service fund, and child nutrition special revenue fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements are referenced as Exhibits C-1 through C-4 in this report.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary Fund

The District maintains an internal service fund, one type of proprietary fund. The *internal service fund* is an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses an internal service fund to account for its print shop copier services. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund financial statements provide separate information for the print shop.

The basic proprietary fund financial statements are referenced as Exhibits D-1 through D-3 in this report.

Fiduciary Funds

The fiduciary funds are used to account for resources held for the benefit of students. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position as referenced as Exhibits E-1 and E-2, respectively, in this report.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information is referenced as Exhibits G-1 through G-6 in this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. The combining and individual fund statements and schedules are referenced as Exhibits H-1 through H-7 in this report.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,617,277 at the close of the most recent fiscal year.

The District's investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress); less any outstanding related debt used to acquire those assets totaled \$82,381,316. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Galena Park Independent School District's Net Position

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 333,829,196	\$ 245,209,199
Capital assets	379,370,005	352,374,145
Total Assets	<u>713,199,201</u>	<u>597,583,344</u>
Deferred loss on refunding	1,376,206	1,673,812
Deferred outflows - pension	39,711,177	45,940,662
Deferred outflows - OPEB	15,755,002	11,679,747
Total Deferred Outflows of Resources	<u>56,842,385</u>	<u>59,294,221</u>
Current liabilities	22,244,836	23,121,104
Long term liabilities	641,077,497	558,523,524
Total Liabilities	<u>663,322,333</u>	<u>581,644,628</u>
Deferred inflows - pension	13,275,415	4,666,962
Deferred inflows - OPEB	39,826,561	30,299,991
Total Deferred Inflows of Resources	<u>53,101,976</u>	<u>34,966,953</u>
Net Position:		
Net investment in capital assets	82,381,316	70,926,256
Restricted	16,479,483	15,707,088
Unrestricted	(45,243,522)	(46,367,360)
Total Net Position	<u>\$ 53,617,277</u>	<u>\$ 40,265,984</u>

Net position is restricted for various purposes as follows:

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Federal and state programs	\$ 4,646,044	\$ 4,424,633
Debt service	11,833,439	11,282,455
	<u>\$ 16,479,483</u>	<u>\$ 15,707,088</u>

The balance of unrestricted net position may be used to meet the District's ongoing obligations to students and creditors. At the end of the current fiscal year, the District reports a deficit balance in unrestricted net position of \$45,243,522 due to the net pension and net OPEB liabilities and related amounts.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Galena Park Independent School District's Changes in Net Position

	<u>2020</u>	<u>2019</u>
Program Revenues		
Charges for services	\$ 3,473,226	\$ 3,812,074
Operating grants	60,970,808	56,560,228
General Revenues		
Property taxes	143,079,999	133,615,993
State aid	110,314,055	98,146,037
Grants and contributions not restricted	-	2,800
Interest earnings	5,044,982	6,680,051
Other	44,008	247,447
Total Revenues	<u>322,927,078</u>	<u>299,064,630</u>
Expenses		
Instruction	153,242,430	144,116,946
Instructional resources and media services	2,859,936	3,111,190
Curriculum and instructional staff development	8,223,134	8,429,223
Instructional leadership	7,939,367	7,174,319
School leadership	18,314,290	17,162,560
Guidance, counseling, and evaluation services	9,453,702	8,717,168
Social work services	1,074,481	1,096,919
Health services	2,524,360	2,187,509
Student transportation	9,622,201	9,786,986
Food services	16,406,346	18,079,109
Extracurricular activities	5,903,790	5,570,196
General administration	10,414,676	9,792,793
Facilities maintenance and operations	31,435,083	32,437,582
Security and monitoring services	4,017,895	3,105,078
Data processing services	5,212,184	4,355,431
Community services	2,384,822	1,855,894
Interest on long-term debt	17,406,100	16,512,159
Bond issuance costs and fees	145,873	9,810
Other facility costs	1,858,683	5,596,260
Payments to Fiscal Agent/Member Districts of Shared Services Arrangements	395,167	-
Payments to appraisal districts	1,043,300	978,581
Total Expenses	<u>309,877,820</u>	<u>300,075,713</u>
Increase (decrease) in net position	13,049,258	(1,011,083)
Beginning Net Position	40,265,984	41,277,067
Prior period adjustment	302,035	-
Ending Net Position	<u>\$ 53,617,277</u>	<u>\$ 40,265,984</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities

Governmental activities increased the District's net position by \$13,351,293, which includes a prior period adjustment of \$302,035. Revenues are generated primarily from three sources. Property taxes, state-aid formula grants, and operating grants and contributions represent 97 percent of total revenues. The remaining 3 percent is generated from charges for services, investment earnings, and miscellaneous revenues.

	<u>Total Revenues</u>	<u>% of Total Revenues</u>
Property taxes	\$ 143,079,999	44%
State Aid - Formula Grants	110,314,055	34%
Operating grants and contributions	60,970,808	18%
Other revenue	8,562,216	3%
Total Revenues	<u><u>\$ 322,927,078</u></u>	<u><u>100%</u></u>

The primary functional expenses of the District are instruction, facilities maintenance and operations, food services, school leadership, and interest on long-term debt which represent 76 percent of total expenses. The remaining individual functional categories of expenses are each less than 5 percent of total expenses.

	<u>Total Expenses</u>	<u>% of Total Expenses</u>
Instruction	\$ 153,242,430	49%
Facilities maintenance and operations	31,435,083	10%
Food services	16,406,346	5%
School leadership	18,314,290	6%
Interest on long-term debt	17,406,100	6%
Other functional expenses	73,073,571	24%
Total Expenses	<u><u>\$ 309,877,820</u></u>	<u><u>100%</u></u>

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$299,434,375, an increase of \$84,944,155 in comparison with the prior year. The increase in ending governmental fund balances was primarily due to the issuance of \$92.8 million in capital-related bond proceeds in the capital projects fund.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The *general fund* is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$64,755,473, while total fund balance reached \$177,578,294. 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 28.5 percent of total general fund expenditures, while total fund balance represents 78.0 percent of that same amount. The increase in the general fund's fund balance of \$11,105,111 was primarily due to increased state funding.

The *debt service fund* has a total fund balance of \$9,888,037 all of which is restricted for the payment of debt service. The net decrease in the debt service fund balance during the current year of \$554,343 was primarily due to the issuance of refunding bonds.

The *capital projects fund* has a total fund balance of \$105,969,781, all of which is restricted for the capital acquisitions. The net increase in the capital projects fund balance during the current year of \$73,752,569 was primarily due to the issuance of \$92.8 million in capital-related bond proceeds for the acquiring, constructing, and equipping school facilities within the District and the purchase of land for school sites.

Proprietary Fund

The District's proprietary fund financial statement, internal service printing services, provides detail information about the profitability of the Print Shop Fund. At the end of the year, net position was \$124,837, an increase of \$22,273 compared to the prior year. The net change in the fund's position is eliminated and allocated to the governmental expenses in the government-wide financial statements.

General Fund Budgetary Highlights

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

	Budget	
	Original	Final Amended
Total revenues	\$ 245,330,000	\$ 236,206,533
Total expenditures	236,120,000	233,815,075
Net change in fund balance	\$ 9,210,000	\$ 2,391,458

The amended revenues budget decreased by \$9.1 million over the original budget due primarily to the anticipated receipt of Elementary and Secondary School Emergency Relief (ESSER) revenues in a special revenue fund and a reduction of state aid revenues due to the reversal of a salary accrual for instructional days earned in the previous fiscal year.

The amended expenditure budget decreased by \$2.3 million over the original budget due primarily to the movement of Elementary and Secondary School Emergency Relief (ESSER) expenditures to a special revenue fund and the reduction of functional expenditures for the calendar changes related to the delay of campus facilities reopening.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2020, amounts to \$379,370,005 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, vehicles, and construction in progress. The total increase in the District's investment in capital assets for the current fiscal year was \$26,995,860. Changes in capital assets are shown below:

	<u>2020</u>	<u>2019</u>
Land	\$ 23,313,212	\$ 22,182,374
Building and improvements	310,959,440	305,683,415
Furniture and equipment	10,780,841	10,240,825
Vehicles	4,971,764	5,635,405
Construction in progress	29,344,748	8,632,126
Total	<u>\$ 379,370,005</u>	<u>\$ 352,374,145</u>

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Liabilities

At the end of the current fiscal year, the District had \$466,113,669 in bonded debt outstanding, an increase of \$89,686,354 over the previous year due to the issuance of \$92.8 million in capital-related bond proceeds for the acquiring, constructing, and equipping school facilities within the District and the purchase of land for school sites. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program. The underlying rating of the bonds from Standard and Poor's is "Aaa" and from Moody's Investors Service is "Aa1" for general obligation debt.

Changes to bonds payable, for the year ended August 31, 2020 are as follows:

<u>Outstanding</u> <u>9/1/19</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>8/31/20</u>
\$ 376,427,315	\$ 127,515,734	\$ (37,829,380)	\$ 466,113,669

Additional information on the District's long-term debt can be found in the notes to the financial statements

GALENA PARK INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budgets and Tax Rates

The District's Board of Trustees and Administrators considered a variety of factors when adopting the budget for the 2020-21 fiscal year. Those factors include property values, enrollment trends, state funding, the economy, and legislative mandates. The following assumptions were taken into account when adopting the general operating budget for 2020-21:

- The tax rate for 2020-21 is \$1.4581 with \$1.1281 applicable to maintenance and operations and \$0.3300 for debt service.
- Taxable values used for the 2020-21 adopted budget are expected to increase by approximately 15.1 percent above the 2019-20 levels. The budgeted property tax revenues were based on the certified taxable value of \$10.14 billion with a 97.0 percent collection rate.
- The District's 2020-21 average daily attendance decreased slightly from 2019-20 to 20,583.

With voter approval from a tax ratification election held in December 2007 the maintenance and operations tax rate increased from \$1.1134 to \$1.1834 per \$100 valuation. A second successful tax ratification election in September 2012 increased the maintenance and operations tax rate an additional .05999 cents for a total rate of \$1.2433. The 86th Texas legislative session ended with various impacts to school funding. Senate Bill 2 and House Bill 3 (HB 3) passed the Texas Legislature and significantly changes the funding methodology for school districts. HB 3 effectively applies a state property tax compression percentage each year beginning with the 2019-20 fiscal year that will reduce the maintenance and operations tax rate. The state's intent is to provide balanced funding between local property values and state funding. HB 3, which calculations for state funding limits school districts property value growth to 2.5 percent, uses current year values versus prior year values for state aid calculations, increases the basic allotment per student from \$5,140 to \$6,160, and eliminates the cost of education index in the calculation. This District's maintenance and operations rate decreases from \$1.1465 to \$1.1281 for 2020-21 as a result of the state compression. In addition, the legislature established a transition grant to ensure individual district revenue will not fall below the old school funding formula assuming a 2.5 percent property value growth. The District has budgeted revenues based on the revenue expected from the transition grant, which expires after five years.

Galena Park ISD is one of the few districts that continues to provide a 20 percent Homestead Exemption to our residents in the manner provided by the Texas Tax Code S. 11.13(n). Residential property taxes provides 27 percent of the total collections, while commercial property taxes make up the remaining 73 percent.

Property values increased in the current year resulting in an increase in revenues available for appropriation for the current budget year. Amounts available for appropriation in the general fund are \$241.2 million, an increase of \$4.1 million from the previous year. Expenditures are budgeted to increase 5.3 percent to \$248.7 million. The majority of the increase in budgeted expenditures was to fund payroll costs associated with new positions needed to support increasing special populations of students, expansion of Pre-Kindergarten services to full days, an increase to the starting teacher pay schedule, and to fund a 1.5 percent general pay increase for teachers and all other staff. A deficit budget was adopted for 2020-21. If these budgetary estimates are realized the District's General Fund balance will decrease \$7.5 million by August 31, 2021.

Request 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 show the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Office of the Executive Director of Budget and Financial Support Services, Galena Park Independent School District, 14705 Woodforest Blvd, Houston, TX 77015.



Galena Park
Independent School District

BASIC FINANCIAL STATEMENTS

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
August 31, 2020

Exhibit A-1

<u>Data Control Codes</u>	<u>Assets</u>	<u>Governmental Activities</u>
1110	Cash and cash equivalents	\$ 275,498,768
1225	Property taxes receivables, net	12,612,725
1240	Due from other governments	8,240,714
1250	Accrued interest	57,716
1290	Other receivables, net	726,617
1300	Inventories	835,709
1410	Prepaid items	772,500
1490	Other current assets	500
	Capital assets not subject to depreciation:	
1510	Land	23,313,212
1580	Construction in progress	29,344,748
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	310,959,440
1530	Furniture and equipment, net	10,780,841
1531	Vehicles, net	4,971,764
1910	Long-term investments	35,083,947
1000	Total Assets	<u>713,199,201</u>
	Deferred Outflows of Resources	
	Deferred charge on refunding	1,376,206
	Deferred outflows - pension	39,711,177
	Deferred outflows - OPEB	15,755,002
1700	Total Deferred Outflows of Resources	<u>56,842,385</u>
	Liabilities	
2110	Accounts payable	12,319,126
2140	Interest payable	587,577
2150	Payroll deductions and withholdings	2,111,209
2160	Accrued wages payable	1,047,341
2180	Due to other governments	5,938,755
2300	Unearned revenue	240,828
	Noncurrent Liabilities:	
2501	Due within one year	20,709,906
2502	Due in more than one year	446,835,374
2540	Net pension liability	81,472,130
2545	Net other post-employment benefits liabilities (OPEB)	92,060,087
2000	Total Liabilities	<u>663,322,333</u>
	Deferred Inflows of Resources	
	Deferred inflows - pension	13,275,415
	Deferred inflows - OPEB	39,826,561
2600	Total Deferred Inflows of Resources	<u>53,101,976</u>
	Net Position	
3200	Net investment in capital assets	82,381,316
	Restricted for:	
3820	Federal and state programs	4,646,044
3850	Debt service	11,833,439
3900	Unrestricted	(45,243,522)
3000	Total Net Position	<u>\$ 53,617,277</u>

See notes to the financial statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year of August 31, 2020

Exhibit B-1

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
Governmental activities:					
11	Instruction	\$ 153,242,430	\$ 726,617	\$ 27,946,736	\$ (124,569,077)
12	Instructional resources and media services	2,859,936	25,926	254,175	(2,579,835)
13	Curriculum and instructional staff development	8,223,134	29,537	3,409,264	(4,784,333)
21	Instructional leadership	7,939,367	16,851	1,244,354	(6,678,162)
23	School leadership	18,314,290	132,931	1,627,399	(16,553,960)
31	Guidance, counseling, and evaluation services	9,453,702	13,220	1,358,663	(8,081,819)
32	Social work services	1,074,481	-	499,223	(575,258)
33	Health services	2,524,360	4,365	2,738,211	218,216
34	Student transportation	9,622,201	21,410	962,027	(8,638,764)
35	Food services	16,406,346	665,867	13,750,078	(1,990,401)
36	Extracurricular activities	5,903,790	1,588,542	264,778	(4,050,470)
41	General administration	10,414,676	80,831	2,084,832	(8,249,013)
51	Facilities maintenance and operations	31,435,083	133,883	2,926,360	(28,374,840)
52	Security and monitoring services	4,017,895	8,729	59,467	(3,949,699)
53	Data processing services	5,212,184	8,729	295,506	(4,907,949)
61	Community services	2,384,822	7,059	855,248	(1,522,515)
72	Interest on long-term debt	17,406,100	-	283,255	(17,122,845)
73	Bond issuance costs and fees	145,873	-	-	(145,873)
81	Other facility costs	1,858,683	8,729	16,065	(1,833,889)
	Payments to Fiscal Agent/Member Districts of				
93	Shared Services Arrangements	395,167	-	395,167	-
99	Payments to appraisal district	1,043,300	-	-	(1,043,300)
TG	Total governmental activities	\$ 309,877,820	\$ 3,473,226	\$ 60,970,808	(245,433,786)

Data Control Codes

General revenues:

Taxes:

MT	Property taxes, levied for general purposes	111,015,246
DT	Property taxes, levied for debt service	32,064,753
SF	State-aid formula grants	110,314,055
IE	Investment earnings	5,044,982
MI	Miscellaneous	44,008
TR	Total general revenues	258,483,044
CN	Change in net position	13,049,258
NB	Net position - beginning	40,265,984
PA	Prior period adjustments	302,035
NE	Net position - ending	\$ 53,617,277

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

**BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2020**

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
1110	Cash and temporary investments	\$ 155,758,109	\$ 9,888,037	\$ 102,492,693	\$ 7,218,322	\$ 275,357,161
Receivables:						
1210	Current property taxes receivable	7,695,417	2,018,376	-	-	9,713,793
1220	Delinquent property taxes receivable	3,915,837	862,922	-	-	4,778,759
1230	Allowance for uncollectible taxes (credit)	(1,531,508)	(348,319)	-	-	(1,879,827)
1240	Receivables from other governments	1,275,971	-	-	6,964,743	8,240,714
1250	Accrued interest	57,716	-	-	-	57,716
1260	Due from other funds	7,571,998	-	10,423,255	122,002	18,117,255
1290	Other receivables	690,010	-	-	36,607	726,617
1300	Inventories	528,135	-	-	307,574	835,709
1410	Prepaid items	772,500	-	-	-	772,500
1490	Other current assets	500	-	-	-	500
1910	Long term investments	35,083,947	-	-	-	35,083,947
1000	Total Assets	<u>\$ 211,818,632</u>	<u>\$ 12,421,016</u>	<u>\$ 112,915,948</u>	<u>\$ 14,649,248</u>	<u>\$ 351,804,844</u>
Liabilities and Fund Balance						
Liabilities:						
2110	Accounts payable	\$ 4,733,454	\$ -	\$ 6,942,143	\$ 632,443	\$ 12,308,040
2150	Payroll deductions and withholdings	2,111,209	-	-	-	2,111,209
2160	Accrued wages payable	887,734	-	919	156,969	1,045,622
2170	Due to other funds	10,544,695	-	3,105	7,565,490	18,113,290
2180	Payable to other governments	5,877,200	-	-	61,555	5,938,755
2300	Unearned revenue	6,300	-	-	234,528	240,828
2000	Total Liabilities	<u>24,160,592</u>	<u>-</u>	<u>6,946,167</u>	<u>8,650,985</u>	<u>39,757,744</u>
Deferred Inflows of Resources						
	Unavailable revenue - property taxes	10,079,746	2,532,979	-	-	12,612,725
2600	Total Deferred Inflows of Resources	<u>10,079,746</u>	<u>2,532,979</u>	<u>-</u>	<u>-</u>	<u>12,612,725</u>
Fund Balances:						
Nonspendable:						
3410	Inventories	528,135	-	-	-	528,135
3430	Prepaid items	772,500	-	-	-	772,500
Restricted						
3450	Federal/State grant restrictions	-	-	-	4,646,044	4,646,044
3470	Capital acquisitions	-	-	105,969,781	-	105,969,781
3480	Debt service	-	9,888,037	-	-	9,888,037
Committed						
3545	Campus activity	-	-	-	1,352,219	1,352,219
Assigned						
3590	Other assigned	111,522,186	-	-	-	111,522,186
3600	Unassigned	64,755,473	-	-	-	64,755,473
3000	Total Fund Balances	<u>177,578,294</u>	<u>9,888,037</u>	<u>105,969,781</u>	<u>5,998,263</u>	<u>299,434,375</u>
4000	Total Liabilities and Fund Balance	<u>\$ 211,818,632</u>	<u>\$ 12,421,016</u>	<u>\$ 112,915,948</u>	<u>\$ 14,649,248</u>	<u>\$ 351,804,844</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
August 31, 2020

Exhibit C-2

Data		
Control		
Codes		
	Total fund balance, governmental funds	\$ 299,434,375
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation, where applicable	379,370,005
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 and related penalty and interest amounts (net of allowance for uncollectible accounts).	12,612,725
3	Deferred charges on refunding	1,376,206
4	Deferred inflows and outflows related to pension activities	26,435,762
5	Deferred inflows and outflows related to OPEB activities	(24,071,559)
	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:	
6	General obligation bonds	(368,848,148)
7	Premiums on issuance	(35,486,528)
8	Accreted interest on premium compound interest bonds	(61,778,993)
9	Compensated absences	(1,431,611)
10	Additional accrued interest payable	(587,577)
11	Net pension liability	(81,472,130)
12	Net OPEB liability	(92,060,087)
13	Addition of Internal Service fund net position	<u>124,837</u>
19	Total net position - governmental activities	<u><u>\$ 53,617,277</u></u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2020

Exhibit C-3

Data Control Codes					Nonmajor	Total
		General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds	Governmental Funds
Revenues						
5700	Local, intermediate, and out-of-state	\$ 111,740,914	\$ 31,413,264	\$ 1,631,862	\$ 2,373,821	\$ 147,159,861
5800	State program revenues	122,034,474	283,255	-	3,942,984	126,260,713
5900	Federal program revenues	4,791,222	-	-	31,859,818	36,651,040
5020	Total revenues	<u>238,566,610</u>	<u>31,696,519</u>	<u>1,631,862</u>	<u>38,176,623</u>	<u>310,071,614</u>
Expenditures						
Current:						
0011	Instruction	118,862,521	-	-	14,627,990	133,490,511
0012	Instructional resources and media services	2,362,142	-	-	19,991	2,382,133
0013	Curriculum and instructional staff development	4,248,768	-	-	3,020,798	7,269,566
0021	Instructional leadership	6,397,613	-	-	649,510	7,047,123
0023	School leadership	16,220,237	-	-	95,466	16,315,703
0031	Guidance, counseling and evaluation services	7,826,500	-	-	544,744	8,371,244
0032	Social work services	592,562	-	-	438,267	1,030,829
0033	Health services	1,924,924	-	-	295,950	2,220,874
0034	Student transportation	9,263,598	-	-	242,534	9,506,132
0035	Food services	287,316	-	-	14,194,248	14,481,564
0036	Extracurricular activities	3,865,300	-	-	1,218,900	5,084,200
0041	General administration	9,310,128	-	-	58,641	9,368,769
0051	Facilities maintenance and operations	30,515,910	-	-	1,304,871	31,820,781
0052	Security and monitoring services	3,980,016	-	-	-	3,980,016
0053	Data processing services	5,124,229	-	-	26,430	5,150,659
0061	Community services	1,444,557	-	-	717,011	2,161,568
Debt service:						
0071	Principal on long-term debt	344,957	14,886,608	-	-	15,231,565
0072	Interest on long-term debt	10,400	17,363,092	-	-	17,373,492
0073	Bond issuance costs and fees	-	145,873	934,865	-	1,080,738
Capital outlay:						
0081	Facilities acquisition and construction expenditures	3,909,681	-	32,879,293	-	36,788,974
Intergovernmental:						
0093	Payments related to shared services arrangements	-	-	-	395,167	395,167
0099	Payments to appraisal district	1,043,300	-	-	-	1,043,300
6030	Total Expenditures	<u>227,534,659</u>	<u>32,395,573</u>	<u>33,814,158</u>	<u>37,850,518</u>	<u>331,594,908</u>
1100	Excess (deficiency) of revenues over expenditures	<u>11,031,951</u>	<u>(699,054)</u>	<u>(32,182,296)</u>	<u>326,105</u>	<u>(21,523,294)</u>
Other Financing Sources (Uses)						
7901	Refunding bonds issued	-	14,850,000	-	-	14,850,000
7911	Capital-related debt issued (regular bonds)	-	-	92,760,000	-	92,760,000
7912	Sale of real and personal property	73,160	-	-	12,678	85,838
7916	Premium on issuance of bonds	-	1,546,886	13,174,865	-	14,721,751
8940	Payment to bond refunding escrow agent	-	(16,252,175)	-	-	(16,252,175)
7080	Total other financing sources and uses	<u>73,160</u>	<u>144,711</u>	<u>105,934,865</u>	<u>12,678</u>	<u>106,165,414</u>
1200	Net change in fund balance	11,105,111	(554,343)	73,752,569	338,783	84,642,120
0100	Fund Balance - beginning	<u>166,473,183</u>	<u>10,442,380</u>	<u>32,217,212</u>	<u>5,357,445</u>	<u>214,490,220</u>
1300	Prior period adjustment	-	-	-	302,035	302,035
3000	Fund Balance - ending	<u>\$ 177,578,294</u>	<u>\$ 9,888,037</u>	<u>\$ 105,969,781</u>	<u>\$ 5,998,263</u>	<u>\$ 299,434,375</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2020

Exhibit C-4

Data Control Codes		
	Net change in fund balances - total governmental funds (from C-3)	\$ 84,642,120
	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 in the current period.	
1	Capitalized expenditures reclassified to assets.	42,532,572
2	Depreciation expense taken to Statement of Activities.	(15,443,269)
3	The net effect of various miscellaneous transactions involving capital assets (i.e., retirements, transfers, and capital contributions) is to increase net position.	(93,443)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,491,631
5	Repayment of bond principal and payments of accreted interest on capital appreciation bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	15,231,565
6	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.	6,134,648
7	OPEB contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in the OPEB Obligation as opposed to expenses in the statement of activity.	1,442,986
	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 and amounts paid to refunding agents are treated as a decrease in long-term liabilities.	
8	Proceeds from issuance of capital-related bonds	(92,760,000)
9	Proceeds from issuance of refunding bonds	(14,850,000)
10	Premium issued on regular bonds	(13,174,865)
11	Premium issued on refunding bonds	(1,546,886)
12	Payments to refunding escrow agent	16,252,175
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
13	Decrease in interest payable not recognized in fund statements	38,206
14	Amortization of gain/loss on refunding	1,554,642
15	Increase in long-term portion of accrued compensated absences	(311,984)
16	Accreted interest on capital appreciation bonds	(690,591)
17	Pension expense for the plan measurement year	(17,286,233)
18	OPEB expense for the plan measurement year	(3,136,289)
19	Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	22,273
	Change in net position of governmental activities	\$ 13,049,258

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2020

Exhibit D-1

<u>Data Control Codes</u>		<u>Governmental Activities</u>
		<u>Internal Service Fund</u>
	Assets	
	Current Assets:	
1110	Cash and cash equivalents	\$ 141,607
	Total Current Assets	<u>141,607</u>
1000	Total Assets	<u>141,607</u>
	Liabilities	
	Current Liabilities:	
2110	Accounts payable	11,086
2160	Accrued wages payable	1,719
2170	Due to other funds	3,965
	Total Current Liabilities	<u>16,770</u>
2000	Total Liabilities	<u>16,770</u>
	Net Position	
3800	Unrestricted net position	<u>124,837</u>
	Total Net Position	<u>\$ 124,837</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
For the Year Ended August 31, 2020

Exhibit D-2

Data Control Codes		Governmental Activities
		Internal Service Fund
	Operating Revenues	
	Charges for services	
5749	Miscellaneous revenue from local sources	\$ 238,798
5020	Total Operating Revenues	<u>238,798</u>
	Operating Expenses	
6100	Payroll costs	73,730
6200	Purchased and contracted services	107,829
6300	Supplies and materials	34,966
6030	Total Operating Expenses	<u>216,525</u>
1200	Operating Income (Loss)	<u>22,273</u>
0100	Net Position - beginning	102,564
3300	Net Position - ending	<u>\$ 124,837</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended August 31, 2020

Exhibit D-3

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 238,798
Cash payments to suppliers for goods and services	(129,140)
Cash payments to employees	<u>(73,707)</u>
Net cash provided by (used for) operating activities	<u>35,951</u>
Net increase in Cash and Cash Equivalents	35,951
Cash and Cash Equivalents September 1	<u>105,656</u>
Cash and Cash Equivalents August 31	<u><u>\$ 141,607</u></u>
Reconciliation of Operating Income (Loss) to net Cash provided by (used for) Operating-Activities:	
Operating income (loss)	<u>\$ 22,273</u>
Adjustments to Reconcile Operating income (loss) to Net Cash (used for) Operating-Activities:	
Increase in Accounts Payable	10,389
Increase in Accrued Wages Payable	23
Increase in Interfund Payables	<u>3,266</u>
Total adjustments	<u>13,678</u>
Net Cash provided by (used for) operating activities	<u><u>\$ 35,951</u></u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
August 31, 2020

Exhibit E-1

	Private Purpose Trust Fund	Custodial Fund
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 16,585	\$ 19,783
Total Assets	<u>\$ 16,585</u>	<u>\$ 19,783</u>
 Liabilities		
Accounts payable	-	24
Due to student groups	-	80
Total Liabilities	<u>-</u>	<u>104</u>
 Net Position		
Restricted for student scholarships and other activities	16,585	19,679
Total Net Position	<u>\$ 16,585</u>	<u>\$ 19,679</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended August 31, 2020

Exhibit E-2

	Private Purpose	
	Trust Fund	Custodial Fund
Contributions		
Gifts and contributions	\$ 10,525	\$ 3,856
Revenues from student activities	-	8,910
Revenues from enterprising activities	878	4,904
Total contributions	<u>11,403</u>	<u>17,670</u>
Investment Earnings	7	-
Total Additions	<u>11,410</u>	<u>17,670</u>
Deductions		
Scholarships awarded	18,000	-
Payments for student activities	-	15,197
Total deductions	<u>18,000</u>	<u>15,197</u>
Change in net position	(6,590)	2,473
Net position - beginning	23,175	-
Prior period adjustment	-	17,206
Net position - ending	<u>\$ 16,585</u>	<u>\$ 19,679</u>

Note 1 - Summary of Significant Accounting Policies

The Galena Park Independent School District (the “District”) is public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees that is elected by registered voters of the District.

The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources as identified by the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

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

Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by GAAP, 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, the District’s basic financial statements do not include any other entities. 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 GAAP. 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.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements (continued)

Interfund activities 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 activities 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues are available for spending when collected, while revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are both measurable and available.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Most grant funds are received on a reimbursement basis. When grant funds are received in advance, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Note 1 - Summary of Significant Accounting Policies (continued)

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

The District reports the following nonmajor governmental funds:

- The *special revenue funds* are used to account for resources restricted to, or committed for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods. With respect to the campus activity funds, funds are rolled over from year to year for use in the program.

Additionally, the District reports the following fund types:

- The *internal service fund* is used to account for the operations of the District's print shop.
- The *private-purpose trust fund* is used to account for donations for scholarship funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.
- The *custodial fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (governmental and the internal service fund) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Current and Future GASB Pronouncements

The following GASB pronouncements have been implemented by the District in the current fiscal year:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The Statement establishes criteria for identifying fiduciary activities with a focus generally on (1) whether a District controls the assets of the fiduciary activities and (2) the beneficiaries with whom a fiduciary relationship exists. The District's Student Activity Fund met the criteria to be reported as custodial funds in the basic financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in March 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective immediately.

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The District implemented GASB No. 84 *Fiduciary Activities* in fiscal year 2020 and plans on implementing GASB No. 87 *Leases* in fiscal year 2022.

The following GASB pronouncements have been issued but not yet implemented by the District:

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. It was issued in June 2020, but the requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. Implementation of this Statement is planned for fiscal year 2022.

Note 1 - Summary of Significant Accounting Policies (continued)

Current and Future GASB Pronouncements (continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement was issued in May 2020 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Implementation of this Statement is planned for fiscal year 2023.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, external investment pools (LOGIC, Lone Star, Texas CLASS and TexPool) and other investment securities.

The funds of the District must be deposited and invested under the terms of a depository contract, the contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The depository cash balances were covered by FDIC insurance and by collateral held by the District's agent in the District's name.

The District categorizes fair value measurements of its investments based on the hierarchy established by GAAP. 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 valued and recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

Receivables and Payables

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

Property tax receivables include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes, and are shown net of an allowance for uncollectible taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables and Payables (continued)

The tax rates applicable to the maintenance and operation and debt service for fiscal year 2020 were \$1.14165 and \$0.33000, respectively, based on a taxable value of \$9,731,032,854. Uncollected taxes are recorded as unavailable revenue in the fund financial statements net of the related allowance for uncollectible taxes.

Inventories and Prepaid Items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service commodities. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met.

Commodity inventory items are recorded as expenditures when distributed to user locations. A portion of fund balance is considered restricted to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40 years
Furniture, fixtures and equipment	10 years
Vehicles	10 years

Note 1 - Summary of Significant Accounting Policies (continued)

Compensated Absences

The District has a vacation pay policy for non-contractual employees (administration and other full-time employees) whereby eligible employees shall receive vacation pay from one to fifteen days, dependent upon the number of years of service, after the completion of a year's service in the District. All vacation days must be used during the year and unused vacation pay cannot be carried over to future periods.

The District's sick leave policy is coordinated with a state mandated sick leave policy whereby substantially all full-time teaching and paraprofessional employees receive up to twelve days sick leave per year. State sick leave days accrue at the rate of five per year without limit to accumulation. The unused balance may be transferred to another District within the Texas public school system. All state sick leave days must be used prior to retirement from the Texas public school system to receive the benefit. The District pays for all state sick leave days used.

Additional local sick leave of up to seven days per year accrues to employees eligible to receive state mandated sick days. All employees not eligible for state mandated sick days may receive up to twelve days of local sick leave. Local sick leave may be accrued without limitation; however, the District does not pay accumulated local sick leave upon termination with the District. Employees are eligible to receive local sick leave upon qualified retirement from the District, dependent upon the number of years of service with the District.

Upon retirement, under an eligible retirement plan, an employee is eligible for reimbursement of accrued local sick leave based on the following schedule:

Years of Service	Salary Service Reimbursed	Maximum Reimbursement
Less than 20	\$100/day for up to 50 local days	\$5,000
20 – 30	\$100/day for up to 75 local days	\$7,500
31 – 35	\$100/day for up to 100 local days	\$10,000
Over 35	\$100/day for up to 175 local days	\$17,500

Compensated absences are liquidated from the General Fund when due and payable.

Long-term Obligations

In the government-wide financial statements and in proprietary 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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for compensated absences and Qualified Zone Academy Bonds are liquidated in the general fund.

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A deferred outflow of resources is a consumption of a government's net position (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 three 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.
- *Deferred outflows of resources for other post-employment benefits (OPEB)* – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on 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 net OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on plan investments will be amortized over a closed five-year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the plan.

A deferred inflow of resources is an acquisition of a government's net position (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 three 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. The District reported property taxes that are unavailable as deferred inflows of resources on the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources (continued)

- *Deferred inflows of resources for pension* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 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 inflows 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 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.
- *Deferred inflows of resources for post-employment benefits* – 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 net OPEB liabilities. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the plan.

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.

Other Post-Employment Benefits

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

Fund Balance Classifications

In the fund financial statements, governmental funds report classifications of fund balance based on controls placed upon the funds. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, effective June 30, 2011, fund balance classifications are recorded as follows:

- *Nonspendable fund balance* - amounts that are not in spendable form or are required to be maintained intact. As such, 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)

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. The District has committed 100 percent of Fund 461 Campus Activity Funds' fund balance.
- *Assigned fund balance* - amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. Per Board Policy, CE Local, the Board has delegated authority to the Superintendent or Chief Financial Officer to establish fund balance assignments.
- *Unassigned fund balance* - amounts that are available for any purpose. Positive amounts are reported only in the general fund. The District strives for a minimum unassigned General Fund Balance of ten to fifteen percent of operating expenditures. In the Debt Service Fund, the District's goal is to have a fund balance of fifteen percent of debt service expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is 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.

Data Control Codes

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

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 2 - Deposits and Investments

Cash Deposits

The District's deposit and investment transactions are regulated by local, state, and federal statutes. In accordance with the Texas Education Code, the District has a depository contract with an area bank which may be selected through competitive bidding or requests for proposals. Each school district's depository contract must be renewed every two years and may be extended for three additional two-year periods. The contract and any extension of the contract must coincide with the District's fiscal year. Regulations require that all funds in the depository institution be fully secured by federal depository insurance or a combination of FDIC insurance and acceptable collateral securities and/or surety bonds.

Note 2 - Deposits and Investments (continued)

Cash Deposits (continued)

The District's policy requires the collateralization level to be 102 percent of fair value of principal and accrued interest (or 110 percent margin for mortgage backed securities) and must be placed in custody with a trustee with a current District custodial agreement. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At August 31, 2020, the District's cash in bank totaled \$3,455,995 while the carrying value was \$493,879. Pledged collateral and FDIC insurance for these deposits totaled \$9,284,680.

Investments

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

For the year ended August 31, 2020, the District invested in the Local Government Investment Cooperative (LOGIC), Lone Star Investment Pool (LSIP), Texas CLASS, and TexPool.

The Local Government Investment Cooperative (Logic) is a "Constant Dollar" net asset value poll and is administered by First Southwest and JP Morgan Chase. Logic maintains three primary goals for investing public funds: safety, liquidity and yield. The District's amortized cost in Logic is the same as the value of the pool shares.

Lone Star Investment Pool (LSIP) is 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 LSIP's operations. American Beacon Advisors, Fort Worth, Texas, and Standish Mellon Asset Management Company, LLC, Pittsburgh, Pennsylvania, provide investment management services to LSIP 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 LSIP provide for investment in securities with maturities and returns generally greater than money market instruments. LSIP is marked-to-market daily to maintain an accurate net asset value. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss. The District's amortized cost in LSIP is the same as the value of the pool shares.

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.

TexPool is 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 2 - Deposits and Investments (continued)

Investments (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, safe keep, 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 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.

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.

At August 31, 2020, the District's cash and investment balances and the weighted average maturity of these investments were as follows:

	Carrying Value	Weighted Average Maturity (Days)
Governmental Activities		
Cash and deposits	\$ 457,511	N/A
Investments		
Local Government Investment Pools		
LOGIC	10,194,386	51
Lone Star - Corporate Overnight Plus Fund	174,268,721	65
Texas CLASS	68,060,626	54
TexPool Prime	2,558,674	53
Total Local Government Investment Pools	<u>255,082,407</u>	61
Investment securities		
Federal Home Loan Bank	5,088,374	466
Federal Farm Credit Bank	9,995,574	1074
Federal Home Loan Mortgage Corp.	10,000,000	1081
Federal National Mortgage Assoc.	10,000,000	1088
Commercial Paper	19,958,849	86
Total Investment Securities	<u>55,042,797</u>	664
Total Governmental Activities	<u>310,582,715</u>	
Fiduciary Funds		
Cash and deposits	36,368	N/A
Total Fiduciary Funds	<u>36,368</u>	
Total Cash and Investments	<u>\$ 310,619,083</u>	

Note 2 - Deposits and Investments (continued)

Investments (continued)

Investments' fair value measurement are as follows at August 31, 2020:

Investments	Carrying Value	Carrying Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt securities				
Federal Home Loan Bank	\$ 5,088,374	\$ -	\$ 5,088,374	\$ -
Federal Farm Credit Bank	9,995,574	-	9,995,574	-
Federal Home Loan Mortgage Corp.	10,000,000	-	10,000,000	-
Federal National Mortgage Assoc.	10,000,000	-	10,000,000	-
Commercial Paper	19,958,849	-	19,958,849	-
Total debt securities	<u>\$ 55,042,797</u>	<u>\$ -</u>	<u>\$ 55,042,797</u>	<u>\$ -</u>

Due to the immediate availability of the funds, the District's temporary investments at August 31, 2020 are included in cash and cash equivalents. In addition, the District's investment securities and commercial paper are reported at carrying value, which approximates fair value, using Level 2 inputs.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity and specific identification. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 365 days, with the exception of bond proceeds that are matched to and not to exceed expenditure schedules; diversification; and by holding securities to maturity. In addition, the District shall not directly invest in an individual security maturing more than three years from the date of purchase.

	Carrying Value	Investment Maturity in Years	
		Less than 1	1-5
Local Government Investment Pools:			
LOGIC	\$ 10,194,386	\$ 10,194,386	\$ -
Lone Star - Corporate Overnight Plus Fund	174,268,721	174,268,721	-
Texas CLASS	68,060,626	68,060,626	-
TexPool Prime	2,558,674	2,558,674	-
Investment Securities			
Federal Home Loan Bank	5,088,374	-	5,088,374
Federal Farm Credit Bank	9,995,574	-	9,995,574
Federal Home Loan Mortgage Corp.	10,000,000	-	10,000,000
Federal National Mortgage Assoc.	10,000,000	-	10,000,000
Commercial Paper	19,958,849	19,958,849	-
	<u>\$ 310,125,204</u>	<u>\$ 275,041,256</u>	<u>\$ 35,083,948</u>

Note 2 - Deposits and Investments (continued)

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of August 31, 2020, the District's investments were rated as follows:

Investment	Rating	Rating Agency
LOGIC	AAAm	Standard and Poor's
Lone Star - Corporate Overnight Plus Fund	AAAf/S1+	Standard and Poor's
Texas CLASS	AAAm	Standard and Poor's
TexPool Prime	AAAm	Standard and Poor's
Federal Home Loan Bank	AA+	Standard and Poor's
Federal Farm Credit Bank	AA+	Standard and Poor's
Federal Home Loan Mortgage Corp.	AA+	Standard and Poor's
Federal National Mortgage Assoc.	AA+	Standard and Poor's

Concentration of Credit Risk:

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

Investment Type	Carrying Value	Percentage of Portfolio
LOGIC	\$ 10,194,386	3.29%
Lone Star - Corporate Overnight Plus Fund	174,268,721	56.19%
Texas CLASS	68,060,626	21.95%
TexPool Prime	2,558,675	0.83%
Federal Home Loan Bank	5,088,374	1.64%
Federal Farm Credit Bank	9,995,574	3.22%
Federal Home Loan Mortgage Corp.	10,000,000	3.22%
Federal National Mortgage Assoc.	10,000,000	3.22%
Commercial Paper	19,958,849	6.44%
	<u>\$ 310,125,205</u>	<u>100.00%</u>

Note 3 - Receivables, Unavailable Revenues and Unearned Revenues

Receivables as of August 31, 2020, for the District's individual major and non-major funds and internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 11,611,254	\$ 2,881,298	\$ -	\$ 14,492,552
Due from other governments	1,275,971	-	6,964,743	8,240,714
Accrued interest	57,716	-	-	57,716
Other receivables	690,010	-	36,607	726,617
Gross Receivables	<u>13,634,951</u>	<u>2,881,298</u>	<u>7,001,350</u>	<u>23,517,599</u>
Less allowance for doubtful accounts	(1,531,508)	(348,319)	-	(1,879,827)
Net Total Receivables	<u><u>\$ 12,103,443</u></u>	<u><u>\$ 2,532,979</u></u>	<u><u>\$ 7,001,350</u></u>	<u><u>\$ 21,637,772</u></u>

Governmental funds do not recognize revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned* reported in the governmental funds were as follows:

	Unearned
Advanced collection of preseason athletic sales	\$ 6,300
Grant funds received prior to meeting all eligibility requirements	234,528
Total unearned revenue for governmental funds	<u><u>\$ 240,828</u></u>

Note 4 - Capital Assets

Capital asset activity for the year ended August 31, 2020, was as follows:

	Balance September 1, 2019	Additions	(Retirements)	Transfers	Balance August 31, 2020
Capital assets, not being depreciated					
Land	\$ 22,182,374	\$ 1,130,838	\$ -	\$ -	\$ 23,313,212
Construction in progress	8,632,126	23,850,999	-	(3,138,377)	29,344,748
Total Capital Assets, not being depreciated	<u>30,814,500</u>	<u>24,981,837</u>	<u>-</u>	<u>(3,138,377)</u>	<u>52,657,960</u>
Capital assets, being depreciated					
Buildings and improvements	465,747,557	14,138,796	-	3,138,377	483,024,730
Furniture and equipment	27,552,315	1,653,504	(62,191)	-	29,143,628
Vehicles	13,207,211	1,758,435	(567,341)	-	14,398,305
Total Capital Assets, being depreciated	<u>506,507,083</u>	<u>17,550,735</u>	<u>(629,532)</u>	<u>3,138,377</u>	<u>526,566,663</u>
Less accumulated depreciation for:					
Buildings and improvements	(160,064,142)	(12,001,148)	-	-	(172,065,290)
Furniture and Equipment	(17,311,490)	(1,100,911)	49,614	-	(18,362,787)
Vehicles	(7,571,806)	(2,341,210)	486,475	-	(9,426,541)
Total Accumulated Depreciation	<u>(184,947,438)</u>	<u>(15,443,269)</u>	<u>536,089</u>	<u>-</u>	<u>(199,854,618)</u>
Governmental Capital Assets	<u><u>\$ 352,374,145</u></u>	<u><u>\$ 27,089,303</u></u>	<u><u>\$ (93,443)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 379,370,005</u></u>

Note 4 - Capital Assets (continued)

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

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 6,517,884
Instructional resources and media services	239,069
Curriculum and staff development	131,321
Instructional leadership	247,576
School leadership	527,845
Guidance, counseling and evaluation services	217,640
Social work services	16,727
Health services	88,343
Student transportation	1,075,383
Food Services	1,276,658
Extracurricular activities	578,040
General administration	320,231
Facilities maintenance and operations	3,624,790
Security and monitoring services	111,708
Data processing services	464,990
Community services	5,064
	<u>\$ 15,443,269</u>

The District has active construction projects as of August 31, 2020. The District's commitments with contractors as of August 31, 2020 are as follows:

<u>Project</u>	<u>Approved Construction Budget</u>	<u>Construction in Progress</u>	<u>Remaining Commitment</u>
Galena Park High School - Additions/Renovations	\$ 31,529,502	\$ 2,522,153	\$ 29,007,349
Jacinto City Elementary - Replacement	28,019,066	25,738,882	2,280,184
Pyburn Elementary - Replacement	22,841,783	980,720	21,861,063
North Shore Senior High Security Vestibule	168,520	102,993	65,527
	<u>\$ 82,558,871</u>	<u>\$ 29,344,748</u>	<u>\$ 53,214,123</u>

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds. The composition of interfund balances as of August 31, 2020, is as follows:

	<u>Payable Fund</u>				<u>Totals</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	
Receivable Fund					
Governmental activities					
General fund	\$ -	\$ 2,893	\$ 7,565,140	\$ 3,965	\$ 7,571,998
Capital Projects Fund	10,423,255	-	-	-	10,423,255
Nonmajor governmental funds	121,440	212	350	-	122,002
Total governmental activities	<u>\$ 10,544,695</u>	<u>\$ 3,105</u>	<u>\$ 7,565,490</u>	<u>\$ 3,965</u>	<u>\$ 18,117,255</u>

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the governmental activities for the year ended August 31, 2020 was as follows:

	<u>Balance at September 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at August 31, 2020</u>	<u>Due Within One Year</u>
General Obligation Bonds Payable	\$ 292,029,756	\$ 107,610,000	\$ (30,791,608)	\$ 368,848,148	\$ 16,191,758
Plus: Premiums on bonds	22,964,200	14,721,751	(2,199,423)	35,486,528	-
Qualified Zone Academy Bonds	344,957	-	(344,957)	-	-
Accretion on Compound Interest Bonds	61,088,402	5,183,983	(4,493,392)	61,778,993	3,888,242
Compensated Absences	1,119,627	492,633	(180,649)	1,431,611	629,906
	<u>\$ 377,546,942</u>	<u>\$ 128,008,367</u>	<u>\$ (38,010,029)</u>	<u>\$ 467,545,280</u>	<u>\$ 20,709,906</u>

General Obligation Bonds

The District issues general obligation bonds for governmental activities to provide resources for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

General obligation bonds payable at August 31, 2020, are summarized as follows:

	<u>Bond Series</u>	<u>Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Matures</u>	<u>Amount Outstanding</u>
1996	Unlimited Tax School Bldg. & Refunding Bonds	\$ 40,054,475	4.40-6.425	2031	\$ 6,621,710
2002	Unlimited Tax School Bldg. & Refunding Bonds	29,496,438	3.00-5.00	2032	16,626,438
2011	Unlimited Tax School Building Bonds	9,250,000	2.00-4.00	2026	3,350,000
2012	Unlimited Tax Refunding Bonds	9,234,299	2.50-3.25	2032	5,335,000
2013	Unlimited Tax Refunding Bonds	9,440,000	3.00-3.75	2032	2,570,000
2013	Unlimited Tax Refunding Taxable Bonds	28,550,000	4.00-4.50	2021	4,165,000
2014	Unlimited Tax Refunding Bonds	8,970,000	2.00-3.25	2033	7,730,000
2015	Unlimited Tax Refunding Bonds	9,505,000	2.00-4.00	2026	4,470,000
2016	Unlimited Tax School Bldg. & Refunding Bonds	98,595,000	2.00-5.00	2041	87,280,000
2017	Unlimited Tax Refunding Bonds	29,720,000	2.00-5.00	2033	26,735,000
2018	Unlimited Tax School Bldg. & Refunding Bonds	100,230,000	3.00-5.00	2041	96,540,000
2019	Unlimited Tax School Building Bonds	92,760,000	3.00-5.00	2041	92,760,000
2020	Unlimited Tax School Building & Refunding Bonds	14,850,000	3.00-5.00	2034	14,665,000
					<u>\$ 368,848,148</u>

Note 6 - Long-term Liabilities (continued)

General Obligation Bonds (continued)

Annual debt service requirements to maturity are as follows:

Year Ending August 31,	Principal	Interest	Total
2021	\$ 16,191,758	\$ 13,514,264	\$ 29,706,022
2022	15,985,716	12,878,938	28,864,654
2023	17,430,063	12,207,288	29,637,351
2024	18,075,673	11,467,738	29,543,411
2025	18,763,767	10,692,488	29,456,255
2026 - 2030	78,951,514	43,152,942	122,104,456
2031 - 2035	99,704,657	29,821,704	129,526,361
2036 - 2040	84,880,000	12,870,838	97,750,838
2041 - 2045	18,865,000	683,339	19,548,339
	<u>\$ 368,848,148</u>	<u>\$ 147,289,539</u>	<u>\$ 516,137,687</u>

In prior years, the District defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future bonds are not included in the District's financial statements. At August 31, 2020, none of the defeased refunded bonds remain outstanding.

Current Year Bond Issuance Activity

In October 2019, the District issued Unlimited Tax School Building Bonds, Series 2019, in the amount of \$92,760,000 with a premium of \$13,177,989 and interest rates ranging from 3 to 5 percent. Proceeds from the sale of the Bonds will be used for (i) acquiring, constructing and equipping school facilities within the District and the purchase of land for school sites and (ii) paying the costs of issuing the Bonds.

In April 2020, the District issued Unlimited Refunding Bonds, Series 2020, in the amount of \$14,850,000 with a premium of \$1,543,762 and interest rates ranging from 3 to 5 percent. Proceeds from the sale of the Bonds will be utilized to (i) refund the District's currently outstanding indebtedness of the Unlimited Tax School Building Bonds, Series 2010, for debt service savings and (ii) paying the costs of issuing the Bonds.

Accreted Interest on Premium Compound Interest Bonds

A portion of the bonds sold in the Series 1996 and 2002 refunding bond issues were capital appreciation bonds commonly referred to as "premium compound interest bonds." The District annually records the appreciation of bond principal for the accreted value of the bonds through maturity of the issue. The interest of these bond series will be paid upon maturity. The following table summarizes the significant features of the individual bonds, by issue:

Capital Appreciation Bonds	Maturity	Maturity Value of Bonds	Original Bond Principal Amount	Accreted Interest on Bonds	Accreted Value of Bonds at Year End
1996	2018-2031	\$ 80,840,000	\$ 13,279,475	\$ 29,667,755	\$ 42,947,230
2002	2022-2032	79,000,000	16,626,438	32,111,238	48,737,676
		<u>\$ 159,840,000</u>	<u>\$ 29,905,913</u>	<u>\$ 61,778,993</u>	<u>\$ 91,684,906</u>

Note 7 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Property Taxes	\$ 107,590,736	\$ 30,997,632	\$ -	\$ -	\$ 138,588,368
Investment Income	2,934,345	415,632	1,631,862	63,143	5,044,982
Co-curricular Student Activities	262,558	-	-	1,571,952	1,834,510
Food Sales	-	-	-	665,867	665,867
Other	953,275	-	-	72,859	1,026,134
	<u>\$ 111,740,914</u>	<u>\$ 31,413,264</u>	<u>\$ 1,631,862</u>	<u>\$ 2,373,821</u>	<u>\$ 147,159,861</u>

Note 8 - Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System’s fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS then Publications then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

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

Note 8 - Defined Benefit Pension Plan (continued)

Benefits Provided (continued)

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.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates		
	2020	2019	
Member	7.70%	7.70%	
Non-Employer Contributing Entity	7.50%	6.80%	
Employers	7.50%	6.80%	

	Measurement Year (2019)		Fiscal Year (2020)
	Contributions Required and Made	Pension Expense	TRS Contributions
Employer (District)	\$ 5,485,641	\$ 17,286,233	\$ 6,133,629
Employee (Member)	12,477,024	-	12,995,768
Non-Employer Contributing Entity On-Behalf Contributions (State)	7,173,570	16,736,720	8,602,292

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers.

Note 8 - Defined Benefit Pension Plan (continued)

Contributions (continued)

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.

When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non (OASDI) surcharge that was in effect in fiscal year 2019.

In addition to the employer contributions listed above, there is an additional surcharge 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. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018, rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit Changes During the Year	None
Ad Hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

Note 8 - Defined Benefit Pension Plan (continued)

Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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 7.25%. 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, 2019 are summarized below:

Asset Class	Target Allocation¹	New Target Allocation²	Long-Term Expected Geometric Real Rate of Return³
Global Equity			
USA	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
Stable Value			
U.S. Treasuries ⁴	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Absolute Return	0.00%	0.00%	0.00%
Real Return			
Global Inflation Linked Bonds ⁴	3.00%	0.00%	0.00%
Real Estate	14.00%	15.00%	8.50%
Energy, Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	8.00%	5.8%/6.5% ⁵
Leverage			
Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage	0.00%	-6.00%	2.70%
Expected Return	100.00%	100.00%	7.23%

¹ Target allocations are based on the Strategic Asset Allocation as of FY2019.

² New allocations are based on the Strategic Asset Allocation to be implemented in FY2020.

³ 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.

⁴ New Target Allocation groups Government Bonds within the stable value allocation.

This includes global sovereign nominal and inflation-linked bonds.

⁵ 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) volatility.

Note 8 - Defined Benefit Pension Plan (continued)

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 (7.25%) in measuring the Net Pension Liability.

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportional share of the net pension liability	\$ 125,234,500	\$ 81,472,130	\$ 46,016,164

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

At August 31, 2020, the District reported a liability of \$81,472,130 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 81,472,130
State's proportionate share that is associated with the District	106,545,010
Total	<u>\$ 188,017,140</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019, the District's proportion of the collective net pension liability was 0.1567 percent which was an increase of 0.0020 percent from its proportion measured as of August 31, 2018.

Changes since the Prior Actuarial Valuation

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

Note 8 - Defined Benefit Pension Plan (continued)

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

For the year ended August 31, 2020, the District recognized pension expense of \$17,286,233 in addition to revenue of \$16,736,720 representing pension expense incurred by the State on behalf of the District.

At August 31, 2020, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 342,256	\$ (2,828,842)
Changes in assumptions	25,276,656	(10,445,510)
Net difference between projected and actual earnings on pension plan investments	818,074	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,140,562	(1,063)
District contributions subsequent to the measurement date	6,133,629	-
Total	<u>\$ 39,711,177</u>	<u>\$ (13,275,415)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$6,133,629 will be recognized as a reduction of the net pension liability in the year ended August 31, 2021. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended August 31,</u>	<u>Pension Expense Amount</u>
2021	\$ 5,275,555
2022	4,351,934
2023	5,313,599
2024	4,536,878
2025	1,531,103
Thereafter	(706,936)
	<u>\$ 20,302,133</u>

Note 9 - Defined Other Post-Employment Benefit Plans

Plan Description

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

OPEB Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS then Publications then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Note 9 - Defined Other Post-Employment Benefit Plans

Benefits Provided

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

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

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly for Retirees		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2020	2019
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

Contributions (continued)

	<u>Measurement Year (2019)</u>		<u>Fiscal Year (2020)</u>
	<u>Contributions Required and Made</u>	<u>Pension Expense</u>	<u>TRS Contributions</u>
Employer (District)	\$ 1,381,584	\$ 3,136,288	\$ 1,435,969
Employee (Member)	1,053,256	-	1,109,334
Non-Employer Contributing Entity On-Behalf Contributions (State)	1,835,716	3,224,044	3,245,873

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

In addition, \$230,756,971 was transferred to TRS to pay for TRS-Care during the 86th Legislative Session, House Bill 1. GASB Statement No. 85 requires that an on-behalf payment is recorded for the districts proportionate share. The proportionate share was determined using the GASB Statement No. 75 TRS-Care proportionate share allocation. For the year ended August 31, 2020, the District recorded an expenditure for their proportionate share of the funds along with the corresponding revenue of \$449,206.

Actuarial Assumptions

The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018, rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	Initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. Initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.
Ad hoc post-employment benefit changes	None

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

Actuarial Assumptions (continued)

The following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2019 TRS annual pension actuarial valuation: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Salary Increases.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis

Discount Rate - The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (1.63%)	Current Rate (2.63%)	1% Increase (3.63%)
District's proportionate share of the Net OPEB Liability:	\$ 111,146,063	\$ 92,060,087	\$ 77,129,109

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

At August 31, 2020, the District reported a liability of \$92,060,087 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 92,060,087
State's proportionate share that is associated with the District	122,327,262
	<u>\$ 214,387,349</u>

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date.

The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the District’s proportion of the collective Net OPEB Liability was 0.1947 percent which was an increase of 0.0028 percent from its proportion measured as of August 31, 2018.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used:

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
District's proportionate share of the Net OPEB Liability:	\$ 75,099,389	\$ 92,060,087	\$ 114,779,632

Changes since the Prior Actuarial Valuation

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period:

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan’s anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$3,136,289 in addition to revenue of \$3,224,044 representing OPEB expense incurred by the State on behalf of the District.

At August 31, 2020, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Changes since the Prior Actuarial Valuation (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,516,330	\$ (15,064,657)
Changes in actuarial assumptions	5,113,220	(24,761,904)
Difference between projected and actual investment earnings	9,931	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,679,552	-
Contributions paid to TRS subsequent to the measurement date	1,435,969	-
Total	<u>\$ 15,755,002</u>	<u>\$ (39,826,561)</u>

The \$1,435,969 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 total OPEB liability in the year ending June 30, 2021. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount
2021	\$ (4,441,576)
2022	(4,441,576)
2023	(4,444,791)
2024	(4,446,630)
2025	(4,446,126)
Thereafter	(3,286,829)
	<u>\$ (25,507,528)</u>

Medicare Part D

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. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District. For the years ended August 31, 2020, 2019, and 2018 the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2020	\$ 818,159
2019	608,916
2018	474,846

The information for the year ended August 31, 2020 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 10 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance. In addition, the District is a member of the Texas Association of School Boards Joint Self-Insurance Fund (Fund). The Fund was created to formulate, develop and administer a program of modified self-funding for the property and/or liability coverage for its membership, provide claims administration, and develop a comprehensive loss control program.

The District pays contributions to the Fund for its general and educators' liability and fleet comprehensive, collision, and liability coverage. The District's agreement with the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts.

Employees of the District are covered by a fully-insured medical plan through TRS Active Care, by a dental PPO insurance plan through Guardian and a dental HMO insurance plan through Ameritas Dental. The District and employee contributions are paid directly to the carrier and the carrier assumes all liability to the plan.

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

Note 11 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

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 material effect on the accompanying financial statements.

Note 12 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of August 31, 2020, there was no liability related to arbitrage.

Note 13 - Shared Service Arrangements

The District participates in two separate Shared Service Arrangements

The District participates in a Shared Service Arrangement (SSA) for the Autism Collaborative Network with 2 other school districts and the Southeast Texas Co-operative for Special Services. Approximately 91% of the total SSA expenditures are attributable to the District. The District is also the fiscal agent of the SSA which implements academic, social, and behavioral evidence-based practices to address the increased prevalence of autism in student populations. The SSA provides training for teachers, administrators, and parents to better serve the students. In addition to the District, other member districts include Splendora ISD and Channelview ISD. According to guidance provided in the Texas Education Agency’s Financial Accountability and Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund Number 459, SSA (Local) and will be accounted for using Model 3 in the SSA section of the resource guide.

Presented below are the revenues and expenditures attributable to the District’s participation:

Revenues	
5700 Local revenue from member districts	\$ 107,293
	<u>\$ 107,293</u>
Expenditures	
6100 Payroll costs	\$ 2,539
6200 Contracted services	4,000
6300 Supplies and materials	91,664
6400 Miscellaneous operating costs	9,090
	<u>\$ 107,293</u>

The District participates in the Tri County East-Regional Day School for the Deaf Shared Service Arrangement (SSA), which provides educational and related services to eligible students with auditory impairments. Galena Park ISD participates in the SSA along with Anahuac ISD, Barbers Hill ISD, Channelview ISD, Cleveland ISD, Devers ISD, Goose Creek CISD, Hardin ISD, Hull-Daisetta ISD, La Porte ISD, Liberty ISD, and Tarkington ISD. The fiscal agent for this SSA is Goose Creek CISD. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would rise to a future additional benefit or burden to Galena Park ISD. The fiscal agent is responsible for all financial activities of the SSA. Revenues attributable to the District’s participation were \$386,077 for the 2020 fiscal year. Expenditures in the same amount were attributable to payroll costs.

Note 14 - Fund Balance

As of August 31, 2020, assigned fund balance is as follows

<u>Assigned Description</u>	<u>General Fund</u>
Insurance Deductibles	\$ 5,541,029
Average Daily Attendance Adjustment	52,660
Campus Budget Carryover	250,000
Campus Match for Fixed Asset Replacements	275,000
Capital and Lifecycle Expenditures	4,283,591
Contingency - Unanticipated Deficits or Revenue Reductions for Adverse Economic Conditions	37,307,550
Reserved COVID 19 related payroll and benefit impact	1,500,000
Uncollectible Property Taxes	4,000,000
Mid Year Hires	730,000
District Personnel Growth	3,582,800
Dual Credit Expansion	300,000
Fine Arts Enhancements	300,000
Building Renovations	1,500,000
Outstanding Encumbrances	801,996
Legal Fees Contingency	500,000
Potential Land Acquisition/Renovations	15,000,000
Health and Wellness Initiatives	242,400
Technology Initiatives	1,250,000
Calendar Changes for Start of School	9,400,000
Summer Interventionists	100,000
Curriculum Adjustments for Remote Instruction	250,000
HVAC System Replacements	22,855,160
Student Nutrition Services	1,500,000
Total Assigned Fund Balance	\$ 111,522,186

Note 15 - Subsequent Event

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in Texas in response to the COVID-19 out break, which disaster declaration he has subsequently extended. In addition, certain local officials, including the County Judge of Harris County, also declared a local state of disaster.

The TEA will institute the ADA hold harmless for the first three six-week attendance reporting periods as follows: if an LEA’s Refined ADA counts during those first three six-week reporting periods are less than the ADA hold harmless projections (described in the paragraph below), the first three six-week attendance reporting periods for 2020–2021 will be excluded from the calculation of ADA and student FTEs for FSP funding purposes and will be replaced with the ADA hold harmless projections. For purposes of the hold harmless calculation, TEA will not consider each six weeks attendance period independent of each other. TEA will replace attendance numbers for each eligible LEA’s 2020-2021 first three six-week attendance periods with projected ADA and student FTE numbers calculating using a three-year average trend of final numbers from the 2017-2018 through the 2019-2020 school years, unless this projection is both 15% higher and 100 ADA higher than the 2020-2021 LPE projections. In the latter case, 2020-2021 LPE counts will be used.

The full extent of the ongoing impact of COVID-19 on the District’s 2020-21 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies related to COVID-19, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.

Note 16 - Prior Period Adjustment

During the current fiscal year, the District implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning fund balance of the District's governmental funds and the beginning net position of the District's custodial funds has been restated as follows:

	Nonmajor Governmental Funds	Custodial Fund
Beginning fund balance / net position, as originally presented	\$ 932,812	\$ -
Reclassification of groups moved from an agency fund to a special revenue fund	302,035	17,206
Beginning fund balance / net position, as restated	<u>\$ 1,234,847</u>	<u>\$ 17,206</u>



Galena Park
Independent School District

REQUIRED SUPPLEMENTARY INFORMATION

GALENA PARK INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended August 31, 2020

Exhibit G-1

Data Control Codes	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
Revenues					
5700	Local revenues	\$ 117,576,000	\$ 112,104,480	\$ 111,740,914	\$ (363,566)
5800	State program revenues	124,159,000	119,601,376	122,034,474	2,433,098
5900	Federal program revenues	3,595,000	4,500,677	4,791,222	290,545
5020	Total revenues	245,330,000	236,206,533	238,566,610	2,360,077
Expenditures					
Current:					
0011	Instruction	125,804,000	120,168,589	118,862,521	1,306,068
0012	Instructional resources and media services	2,659,000	2,532,464	2,362,142	170,322
0013	Curriculum and staff development	4,588,000	4,324,774	4,248,768	76,006
0021	Instructional leadership	6,823,000	6,616,744	6,397,613	219,131
0023	School leadership	16,473,000	16,543,775	16,220,237	323,538
0031	Guidance, counseling and evaluation services	7,828,000	8,105,437	7,826,500	278,937
0032	Social work services	578,000	684,500	592,562	91,938
0033	Health services	1,917,000	2,010,439	1,924,924	85,515
0034	Student transportation	10,243,000	10,478,999	9,263,598	1,215,401
0035	Food services	43,000	322,842	287,316	35,526
0036	Extracurricular activities	4,044,000	4,030,783	3,865,300	165,483
0041	General administration	10,172,000	9,973,092	9,310,128	662,964
0051	Facilities maintenance and operations	31,881,000	31,414,411	30,515,910	898,501
0052	Security and monitoring services	3,003,000	4,327,530	3,980,016	347,514
0053	Data processing services	5,081,000	5,220,596	5,124,229	96,367
0061	Community services	1,410,000	1,490,222	1,444,557	45,665
Debt Service:					
0071	Principal on long-term debt	345,000	345,000	344,957	43
0072	Interest on long-term debt	10,500	10,500	10,400	100
0073	Bond issuance costs and fees	4,500	4,500	-	4,500
Capital outlay:					
0081	Facilities acquisition and construction	2,185,000	4,166,578	3,909,681	256,897
Intergovernmental:					
0099	Payments to appraisal district	1,028,000	1,043,300	1,043,300	-
6030	Total Expenditures	236,120,000	233,815,075	227,534,659	6,280,416
1100	Excess (deficiency) of revenues over expenditures	9,210,000	2,391,458	11,031,951	8,640,493
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	73,160	73,160
7080	Total other financing sources and uses	-	-	73,160	73,160
1200	Net change in fund balances	9,210,000	2,391,458	11,105,111	8,713,653
0100	Fund balances - beginning	166,473,183	166,473,183	166,473,183	-
3000	Fund balances - ending	\$ 175,683,183	\$ 168,864,641	\$ 177,578,294	\$ 8,713,653

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year ended August 31, 2020.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The business services department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by August 31, 2019. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Six Measurement Years Ended August 31

Exhibit G-3

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.1567%	0.1547%	0.1526%
District's proportionate share of the net pension liability	\$ 81,472,130	\$ 85,158,483	\$ 48,789,176
State's proportionate share of the net pension liability associated with the District	106,545,010	117,096,424	69,993,572
Total	<u>\$ 188,017,140</u>	<u>\$ 202,254,907</u>	<u>\$ 118,782,748</u>
District's covered payroll (for Measurement Year)	\$ 162,039,276	\$ 157,289,669	\$ 151,760,707
District's proportionate share of the net pension liability as a percentage of covered payroll	50.28%	54.14%	32.15%
Plan's fiduciary net position as a percentage of the total pension liability *	75.24%	73.74%	82.17%
Plan's net pension liability as a percentage of covered payroll *	114.93%	126.11%	75.93%
	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.1484%	0.1397%	0.0961%
District's proportionate share of the net pension liability	\$ 56,068,678	\$ 49,393,685	\$ 25,667,021
State's proportionate share of the net pension liability associated with the District	83,923,356	80,743,272	68,611,587
Total	<u>\$ 139,992,034</u>	<u>\$ 130,136,957</u>	<u>\$ 94,278,608</u>
District's covered payroll (for Measurement Year)	\$ 145,634,727	\$ 138,624,105	\$ 130,249,117
District's proportionate share of the net pension liability as a percentage of covered payroll	38.50%	35.63%	19.71%
Plan's 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 payroll *	92.75%	91.94%	72.89%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.
Net pension liability is presented prospectively in accordance with GASB 68.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Ten Fiscal Years Ended August 31

Exhibit G-4

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 6,133,629	\$ 5,484,651	\$ 5,214,328	\$ 5,007,387	\$ 4,714,247
Contributions in relation to the contractually required contributions	<u>6,133,629</u>	<u>5,484,651</u>	<u>5,214,328</u>	<u>5,007,387</u>	<u>4,714,247</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 170,666,915	\$ 162,039,276	\$ 157,289,669	\$ 151,760,707	\$ 145,634,727
Contributions as a percentage of covered payroll	3.59%	3.38%	3.32%	3.30%	3.24%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 4,140,459	\$ 2,436,154	\$ 2,012,917	\$ 2,078,627	\$ 2,130,068
Contributions in relation to the contractually required contributions	<u>4,140,459</u>	<u>2,436,154</u>	<u>2,012,917</u>	<u>2,078,627</u>	<u>2,130,068</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 138,624,105	\$ 130,249,117	\$ 126,142,312	\$ 127,628,389	\$ 133,037,350
Contributions as a percentage of covered payroll	2.99%	1.87%	1.60%	1.63%	1.60%

Changes of Assumptions

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

Changes in Benefit Terms

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

Other Information

Effective September 1, 2014, employers who did not contribute to 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.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Three Measurement Years Ended August 31

Exhibit G-6

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.1947%	0.1919%	0.1853%
District's proportionate share of the net OPEB liability	\$ 92,060,087	\$ 95,818,099	\$ 80,595,763
State's proportionate share of the net OPEB liability associated with the District	<u>122,327,262</u>	<u>132,116,561</u>	<u>116,350,040</u>
Total	<u>\$ 214,387,349</u>	<u>\$ 227,934,660</u>	<u>\$ 196,945,803</u>
District's covered payroll (for Measurement Year)	\$ 162,039,276	\$ 157,289,669	\$ 151,760,707
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	56.8%	60.9%	53.1%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll	135.21%	146.64%	132.55%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.
Net OPEB liability is presented prospectively in accordance with GASB 75.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Ten Fiscal Years Ended August 31

Exhibit G-7

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 1,435,969	\$ 1,381,346	\$ 1,323,845	\$ 963,583	\$ 916,754
Contributions in relation to the contractually required contributions	<u>1,435,969</u>	<u>1,381,346</u>	<u>1,323,845</u>	<u>963,583</u>	<u>916,754</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 170,666,915	\$ 162,039,276	\$ 157,289,669	\$ 151,760,707	\$ 145,634,727
Contributions as a percentage of covered payroll	0.84%	0.85%	0.84%	0.63%	0.63%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 875,679	\$ 789,064	\$ 746,663	\$ 811,399	\$ 894,075
Contributions in relation to the contractually required contributions	<u>875,679</u>	<u>789,064</u>	<u>746,663</u>	<u>811,399</u>	<u>894,075</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 138,624,105	\$ 130,249,117	\$ 126,142,312	\$ 127,628,389	\$ 133,037,350
Contributions as a percentage of covered payroll	0.63%	0.61%	0.59%	0.64%	0.67%

Changes of Assumptions

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

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

Changes of Benefit Terms

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums



Galena Park
Independent School District

OTHER SUPPLEMENTARY INFORMATION

Nonmajor 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 Number	Fund Name & Description
205	EEarly Head Start Program - funds used to promote the school readiness of low-income preschool children (ages 3-5), including children of migratory seasonal and farm workers, and infants and toddlers (birth through age 3) by enhancing their cognitive social and emotional development in learning environments that support their growth in language, literacy, mathematics, science, social and emotional functioning, creative art, physical skills and approaches to learning.
206	McKinney - Vento Support for Homeless Education - to ensure the enrollment, attendance and success of homeless children and youth in school.
211	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.
212	ESEA Title I, Part C – for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fisherman.
224	IDEA, Part B - Formula - salaries and supplies to aid children with disabilities with low reading achievement.
225	IDEA, Part B - Preschool - aids preschool students with disabilities.
226	IDEA, Part B - Discretionary - assists with high need students with disabilities whose direct special education and related services costs exceed \$25,000 per school year.
240	National School Breakfast and Lunch Program – federal reimbursement revenues originating from the United States Department of Agriculture and fees from child and adult meals.
244	Vocational Education - Basic - funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes.
255	ESEA, Title II, Part A - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
263	ESEA, Title III, Part A - 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 achievement standards.
265	ESEA, Title IV Part B - provides after-school activities for students in elementary through high school.
266	Elementary & Secondary School Emergency Relief Fund (ESSER) - Funds used to account for federal stimulus Elementary and ESSER funds granted to LEAs through the CARES Act to support LEAs’ ability to operate and instruct their students during the COVID-19 pandemic.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Fund Number	Fund Name & Description
288	Summer School LEP - provides funds for summer school programs for LEP students.
289	Various Federal Funds - supports and encourages the development of new, self-supporting, community anti-drug coalitions; early childhood summer programs, library grants and wetlands and water education, and for various education related costs due to disruptions of the learning environment due to Hurricane Harvey.
397	Advanced Placement Incentives - enhancement of Advanced Placement programs on specific campuses based on student scores on Advanced Placement examinations.
410	Instructional Materials Allotment - provides funds to purchase instructional materials, technological equipment and technology-related services.
427	State Funded Special Revenue Funds - provides funds to help schools fund various programs.
429	Other State Funded Special Revenue Funds - provides funds to help schools fund various programs including mentors and campus awards.
459	SSA - Services to Students with Autism - provides funds for LEAs to implement innovative services that improve function and/or academic outcomes for students with autism ages three to nine.
461	Campus Activity Funds - proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.
481	Other Local Grants - grants from local businesses or organizations to be used for educational activities.
486	Miscellaneous Donations – local donations used for specific education purposes as specified by the donor.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2020

Exhibit H-1
Page 1 of 6

Data Control Codes		205	206	211	212
		Early Head Start Program	McKinney - Vento Support for Homeless Education	ESEA Title I, Part A Improving Basic Programs	ESEA Title I, Part C
Assets					
1110	Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Receivables:					
1240	Receivables from other governments	71,711	742	418,960	11,116
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	120	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 71,711</u>	<u>\$ 742</u>	<u>\$ 419,080</u>	<u>\$ 11,116</u>
Liabilities and Fund Balance					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 3,462	\$ 51	\$ 2,016	\$ -
2160	Accrued wages payable	19,482	-	39,469	2,425
2170	Due to other funds	48,767	607	377,595	8,691
2180	Payable to other governments	-	84	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>71,711</u>	<u>742</u>	<u>419,080</u>	<u>11,116</u>
Fund Balances:					
Restricted					
3450	Federal/State grant restrictions	-	-	-	-
Committed					
3545	Campus activity	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 71,711</u>	<u>\$ 742</u>	<u>\$ 419,080</u>	<u>\$ 11,116</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2020

Exhibit H-1
Page 2 of 6

	224	225	226	240
Data Control Codes	IDEA, Part B - Formula	IDEA, Part B Preschool	IDEA, Part B- Discretionary	National School Breakfast and Lunch Program
Assets				
1110	\$ -	\$ -	\$ -	\$ 4,210,303
Receivables:				
1240	323,311	2,052	-	305,840
1260	212	-	-	121,790
1290	-	-	-	414
1310	-	-	-	307,574
1000 Total Assets	\$ 323,523	\$ 2,052	\$ -	\$ 4,945,921
Liabilities and Fund Balance				
Liabilities:				
Current Liabilities:				
2110	\$ 47,867	\$ -	\$ -	\$ 92,245
2160	5,743	-	-	-
2170	269,913	2,052	-	1,247,434
2180	-	-	-	-
2300	-	-	-	-
2000 Total Liabilities	323,523	2,052	-	1,339,679
Fund Balances:				
Restricted				
3450	-	-	-	3,606,242
Committed				
3545	-	-	-	-
3000 Total Fund Balances	-	-	-	3,606,242
4000 Total Liabilities and Fund Balance	\$ 323,523	\$ 2,052	\$ -	\$ 4,945,921

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2020

Exhibit H-1
Page 3 of 6

Data Control Codes	244	255	263	265
	Vocational Education - Basic	ESEA, Title II Part A	ESEA, Title III Part A	ESEA, Title IV Part B
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
Receivables:				
1240	Receivables from other governments	13,686	94,990	178,080
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1310	Inventories, at cost	-	-	-
1000	Total Assets	<u>\$ 13,686</u>	<u>\$ 94,990</u>	<u>\$ 178,080</u>
Liabilities and Fund Balance				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ 13,686	\$ -	\$ 9,590
2160	Accrued wages payable	-	23,135	14,942
2170	Due to other funds	-	71,855	153,548
2180	Payable to other governments	-	-	-
2300	Unearned revenues	-	-	-
2000	Total Liabilities	<u>13,686</u>	<u>94,990</u>	<u>178,080</u>
Fund Balances:				
Restricted				
3450	Federal/State grant restrictions	-	-	-
Committed				
3545	Campus activity	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 13,686</u>	<u>\$ 94,990</u>	<u>\$ 178,080</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2020

Exhibit H-1
Page 4 of 6

Data Control Codes	266 CARES Act - ESSERF	288 Summer School LEP	289 Various Federal Funds	397 Advanced Placement Incentives
Assets				
1110	\$ -	\$ 27,164	\$ -	\$ 8,114
Receivables:				
1240	4,912,195	-	407,747	-
1260	-	-	-	-
1290	-	-	-	-
1310	-	-	-	-
1000 Total Assets	\$ 4,912,195	\$ 27,164	\$ 407,747	\$ 8,114
Liabilities and Fund Balance				
Liabilities:				
Current Liabilities:				
2110	\$ -	\$ 8,137	\$ 17,286	\$ -
2160	-	-	40,624	-
2170	4,912,195	877	288,366	-
2180	-	-	61,471	-
2300	-	18,150	-	8,114
2000 Total Liabilities	4,912,195	27,164	407,747	8,114
Fund Balances:				
Restricted				
3450	-	-	-	-
Committed				
3545	-	-	-	-
3000 Total Fund Balances	-	-	-	-
4000 Total Liabilities and Fund Balance	\$ 4,912,195	\$ 27,164	\$ 407,747	\$ 8,114

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2020

Exhibit H-1
Page 5 of 6

<u>Data Control Codes</u>	410	427	429	459
	<u>Instructional Materials Allotment</u>	<u>State Funded Special Revenue Funds</u>	<u>Other State Funded Special Revenue Funds</u>	<u>SSA - Regional Day School Deaf (Local)</u>
Assets				
1110	\$ 1,412,313	\$ -	\$ 183,698	\$ -
Receivables:				
1240	-	-	-	107,293
1260	-	-	-	-
1290	-	-	-	-
1310	-	-	-	-
1000 Total Assets	<u>\$ 1,412,313</u>	<u>\$ -</u>	<u>\$ 183,698</u>	<u>\$ 107,293</u>
Liabilities and Fund Balance				
Liabilities:				
Current Liabilities:				
2110	\$ 372,511	\$ -	\$ 608	\$ 9,090
2160	-	-	500	2,539
2170	-	-	540	95,664
2180	-	-	-	-
2300	-	-	182,050	-
2000 Total Liabilities	<u>372,511</u>	<u>-</u>	<u>183,698</u>	<u>107,293</u>
Fund Balances:				
Restricted				
3450	1,039,802	-	-	-
Committed				
3545	-	-	-	-
3000 Total Fund Balances	<u>1,039,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balance	<u>\$ 1,412,313</u>	<u>\$ -</u>	<u>\$ 183,698</u>	<u>\$ 107,293</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2020

Exhibit H-1
Page 6 of 6

Data Control Codes		461	481	486	Total Nonmajor Governmental Funds
		Campus Activity Funds	Other Local Funds	Miscellaneous Donations	
	Assets				
1110	Cash and temporary investments	\$ 1,345,222	\$ 30,468	\$ 1,040	\$ 7,218,322
	Receivables:				
1240	Receivables from other governments	-	-	-	6,964,743
1260	Due from other funds	-	-	-	122,002
1290	Other receivables	36,073	-	-	36,607
1310	Inventories, at cost	-	-	-	307,574
1000	Total Assets	<u>\$ 1,381,295</u>	<u>\$ 30,468</u>	<u>\$ 1,040</u>	<u>\$ 14,649,248</u>
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 27,996	\$ 4,362	\$ -	\$ 632,443
2160	Accrued wages payable	-	-	-	156,969
2170	Due to other funds	1,080	932	-	7,565,490
2180	Payable to other governments	-	-	-	61,555
2300	Unearned revenues	-	25,174	1,040	234,528
2000	Total Liabilities	<u>29,076</u>	<u>30,468</u>	<u>1,040</u>	<u>8,650,985</u>
	Fund Balances:				
	Restricted				
3450	Federal/State grant restrictions	-	-	-	4,646,044
	Committed				
3545	Campus activity	1,352,219	-	-	1,352,219
3000	Total Fund Balances	<u>1,352,219</u>	<u>-</u>	<u>-</u>	<u>5,998,263</u>
4000	Total Liabilities and Fund Balance	<u>\$ 1,381,295</u>	<u>\$ 30,468</u>	<u>\$ 1,040</u>	<u>\$ 14,649,248</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2020

Exhibit H-2
Page 1 of 6

Data Control Codes	205	206 McKinney - Vento Support for Homeless Education	211 ESEA Title I, Part A Improving Basic Programs	212 ESEA Title I, Part C
Revenues				
5700	\$ -	\$ -	\$ -	\$ -
5800	-	-	-	-
5900	837,003	75,082	6,201,924	91,769
5020	837,003	75,082	6,201,924	91,769
Expenditures				
Current:				
0011	-	19,405	4,085,682	5,488
0012	-	-	-	-
0013	-	-	1,436,690	-
0021	140,397	-	114,188	47,705
0023	-	-	-	-
0031	-	-	-	-
0032	-	20,725	325,239	38,546
0033	38,667	-	-	-
0034	-	34,952	192,610	-
0035	-	-	-	-
0036	-	-	-	-
0041	-	-	-	-
0051	-	-	-	-
0053	-	-	-	-
0061	657,939	-	47,515	30
Intergovernmental:				
0093	-	-	-	-
6030	837,003	75,082	6,201,924	91,769
1100	-	-	-	-
Other Financing Sources (Uses)				
7912	-	-	-	-
7080	-	-	-	-
1200	-	-	-	-
0100	-	-	-	-
1300	-	-	-	-
3000	\$ -	\$ -	\$ -	\$ -

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2020

Exhibit H-2
Page 2 of 6

	224	225	226	240
Data Control Codes	IDEA, Part B - Formula	IDEA, Part B Preschool	IDEA, Part B- Discretionary	National School Breakfast and Lunch Program
Revenues				
5700 Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 729,010
5800 State program revenues	-	-	-	73,498
5900 Federal program revenues	3,543,050	57,263	141,062	13,066,653
5020 Total revenues	3,543,050	57,263	141,062	13,869,161
Expenditures				
Current:				
0011 Instruction	2,387,681	57,263	113,472	-
0012 Instruction resources and media services	-	-	-	-
0013 Curriculum and instructional staff development	326,346	-	-	-
0021 Instructional leadership	39,924	-	-	-
0023 School leadership	-	-	-	-
0031 Guidance, counseling and evaluation services	351,182	-	-	-
0032 Social work services	-	-	-	-
0033 Health services	40,958	-	27,590	-
0034 Student transportation	10,882	-	-	-
0035 Food services	-	-	-	14,194,248
0036 Extracurricular activities	-	-	-	-
0041 General administration	-	-	-	-
0051 Facilities maintenance and operations	-	-	-	249,728
0053 Data processing services	-	-	-	-
0061 Community services	-	-	-	-
Intergovernmental:				
0093 Payments related to shared services arrangement	386,077	-	-	-
6030 Total Expenditures	3,543,050	57,263	141,062	14,443,976
1100 Excess (deficiency) of revenues over expenditures	-	-	-	(574,815)
Other Financing Sources (Uses)				
7912 Sale of real and personal property	-	-	-	12,678
7080 Total other financing sources and uses	-	-	-	12,678
1200 Net change in fund balances	-	-	-	(562,137)
0100 Fund balance - beginning	-	-	-	4,168,379
1300 Prior Period Adjustment	-	-	-	-
3000 Fund balance - ending	\$ -	\$ -	\$ -	\$ 3,606,242

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2020

Exhibit H-2
Page 3 of 6

	244	255	263	265
Data Control Codes	Vocational Education - Basic	ESEA, Title II Part A	ESEA, Title III Part A	ESEA, Title IV Part B
Revenues				
5700	\$ -	\$ -	\$ -	\$ -
5800	-	-	-	-
5900	343,501	761,361	653,176	480,382
5020	343,501	761,361	653,176	480,382
Expenditures				
Current:				
0011	343,501	27,389	149,424	227,714
0012	-	-	-	-
0013	-	730,229	451,914	-
0021	-	3,743	45,169	252,172
0023	-	-	-	-
0031	-	-	-	-
0032	-	-	-	-
0033	-	-	-	-
0034	-	-	433	-
0035	-	-	-	-
0036	-	-	-	-
0041	-	-	-	-
0051	-	-	-	-
0053	-	-	-	-
0061	-	-	6,236	496
Intergovernmental:				
0093	-	-	-	-
6030	343,501	761,361	653,176	480,382
1100	-	-	-	-
	-	-	-	-
Other Financing Sources (Uses)				
7912	-	-	-	-
7080	-	-	-	-
1200	-	-	-	-
0100	-	-	-	-
1300	-	-	-	-
3000	\$ -	\$ -	\$ -	\$ -

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2020

Exhibit H-2
Page 4 of 6

	266	288	289	397
Data Control Codes	CARES Act - ESSERF	Summer School LEP	Various Federal Funds	Advanced Placement Incentives
Revenues				
5700	\$ -	\$ -	\$ -	\$ -
5800	-	-	-	2,915
5900	4,912,195	21,186	674,211	-
5020	4,912,195	21,186	674,211	2,915
Expenditures				
Current:				
0011	3,861,519	18,888	276,453	-
0012	-	-	-	-
0013	-	1,738	43,619	2,915
0021	-	-	2,517	-
0023	-	-	-	-
0031	-	-	133,372	-
0032	-	-	3,085	-
0033	-	-	188,735	-
0034	-	-	-	-
0035	-	-	-	-
0036	-	-	-	-
0041	-	-	-	-
0051	1,050,676	-	-	-
0053	-	-	26,430	-
0061	-	560	-	-
Intergovernmental:				
0093	-	-	-	-
6030	4,912,195	21,186	674,211	2,915
1100	Excess (deficiency) of revenues over expenditures			
	-	-	-	-
Other Financing Sources (Uses)				
7912	-	-	-	-
7080	-	-	-	-
1200	Net change in fund balances			
	-	-	-	-
0100	Fund balance - beginning			
	-	-	-	-
1300	Prior Period Adjustment			
	-	-	-	-
3000	Fund balance - ending			
	\$ -	\$ -	\$ -	\$ -

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2020

Exhibit H-2
Page 5 of 6

	410	427	429	459
Data Control Codes	Instructional Materials Allotment	State Funded Special Revenue Funds	Other State Funded Special Revenue Funds	SSA - Regional Day School Deaf (Local)
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 1,672
5800	State program revenues	3,509,786	32	249,460
5900	Federal program revenues	-	-	-
5020	Total revenues	<u>3,509,786</u>	<u>32</u>	<u>251,132</u>
Expenditures				
Current:				
0011	Instruction	2,725,648	-	138,715
0012	Instruction resources and media services	-	32	-
0013	Curriculum and instructional staff development	-	-	6,539
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	60,073
0032	Social work services	-	-	50,672
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	590	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	1,672
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	9,090
6030	Total Expenditures	<u>2,726,238</u>	<u>32</u>	<u>251,132</u>
1100	Excess (deficiency) of revenues over expenditures	<u>783,548</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
7912	Sale of real and personal property	-	-	-
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	783,548	-	-
0100	Fund balance - beginning	256,254	-	-
1300	Prior Period Adjustment	-	-	-
3000	Fund balance - ending	<u>\$ 1,039,802</u>	<u>\$ -</u>	<u>\$ -</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2020

Exhibit H-2
Page 6 of 6

	461	481	486
Data Control Codes	Campus Activity Funds	Other Local Funds	Miscellaneous Donations
Revenues			
5700 Local, intermediate, and out-of-state	\$ 1,571,952	\$ 71,187	\$ -
5800 State program revenues	-	-	-
5900 Federal program revenues	-	-	-
5020 Total revenues	1,571,952	71,187	-
Expenditures			
Current:			
0011 Instruction	61,451	36,633	-
0012 Instruction resources and media services	19,857	102	-
0013 Curriculum and instructional staff development	-	20,808	-
0021 Instructional leadership	770	2,925	-
0023 School leadership	85,681	9,785	-
0031 Guidance, counseling and evaluation services	117	-	-
0032 Social work services	-	-	-
0033 Health services	-	-	-
0034 Student transportation	3,657	-	-
0035 Food services	-	-	-
0036 Extracurricular activities	1,218,900	-	-
0041 General administration	58,641	-	-
0051 Facilities maintenance and operations	3,877	-	-
0053 Data processing services	-	-	-
0061 Community services	1,629	934	-
Intergovernmental:			
0093 Payments related to shared services arrangement	-	-	-
6030 Total Expenditures	1,454,580	71,187	-
1100 Excess (deficiency) of revenues over expenditures	117,372	-	-
Other Financing Sources (Uses)			
7912 Sale of real and personal property	-	-	-
7080 Total other financing sources and uses	-	-	-
1200 Net change in fund balances	117,372	-	-
0100 Fund balance - beginning	932,812	-	-
1300 Prior Period Adjustment	302,035	-	-
3000 Fund balance - ending	\$ 1,352,219	\$ -	\$ -

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended August 31, 2020

Exhibit J-1
Page 1 of 2

Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 9/1/2018	Current Year's Total Levy
	1 <u>Maintenance</u>	2 <u>Debt Service</u>			
2011 and prior	Various	Various	Various	\$ 1,179,222	\$ -
2012	1.18340	0.33000	5,420,068,595	141,663	-
2013	1.18340	0.33000	6,362,846,718	293,469	-
2014	1.24330	0.27010	6,748,726,082	320,694	-
2015	1.24330	0.27010	7,433,199,935	265,264	-
2016	1.24330	0.27010	8,142,261,887	293,831	-
2017	1.24330	0.32000	8,161,446,159	453,644	-
2018	1.24330	0.32000	8,177,706,984	820,674	-
2019	1.24330	0.33000	8,532,674,721	1,904,639	-
2020	1.14165	0.33000	9,731,032,854	-	143,206,745
1000 Totals				<u>\$ 5,673,100</u>	<u>\$ 143,206,745</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended August 31, 2020

Exhibit J-1
Page 2 of 2

	31	32	40	50
<u>Last Ten Fiscal Years</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/2019</u>
2011 and prior	\$ 33,107	\$ 5,380	\$ (35,132)	\$ 1,105,603
2012	7,470	2,083	(173)	131,937
2013	11,964	3,336	(229)	277,940
2014	(12,434)	(2,701)	(39,511)	296,318
2015	27,563	5,988	(2,471)	229,242
2016	49,353	10,722	(7,658)	226,098
2017	24,504	6,307	(102,007)	320,826
2018	(37,365)	(9,617)	(283,224)	584,432
2019	(247,685)	(65,741)	(1,401,500)	816,565
2020	<u>106,653,230</u>	<u>30,828,683</u>	-	<u>5,724,832</u>
1000 Totals	<u>\$ 106,509,707</u>	<u>\$ 30,784,440</u>	<u>\$ (1,871,905)</u>	<u>9,713,793</u>
				<u>4,778,759</u>
				<u>\$ 14,492,552</u>

Total taxes receivable per Governmental Fund Balance Sheet (C-1)

GALENA PARK INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
For the Year Ended August 31, 2020

Exhibit J-2

Data Control Codes		Budget			Variance with Final Budget
		Original	Final	Actual	
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 1,127,000	\$ 1,127,000	\$ 729,010	\$ (397,990)
5800	State Program Revenues	74,500	74,500	73,498	(1,002)
5900	Federal Program Revenues	16,777,500	16,777,500	13,066,653	(3,710,847)
5020	Total Revenues	<u>17,979,000</u>	<u>17,979,000</u>	<u>13,869,161</u>	<u>(4,109,839)</u>
Expenditures					
Current:					
0035	Food Services	17,710,000	17,710,000	14,194,248	3,515,752
0051	Plant maintenance and operations	269,000	269,000	249,728	19,272
6030	Total Expenditures	<u>17,979,000</u>	<u>17,979,000</u>	<u>14,443,976</u>	<u>3,535,024</u>
1100	Excess (Deficiency) Revenues Over Expenditures	-	-	(574,815)	(574,815)
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	12,678	12,678
	Total other financing sources and uses	-	-	12,678	12,678
1200	Net change in fund balances	-	-	(562,137)	(562,137)
0100	Fund Balance - beginning	<u>4,168,379</u>	<u>4,168,379</u>	<u>4,168,379</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 4,168,379</u>	<u>\$ 4,168,379</u>	<u>\$ 3,606,242</u>	<u>\$ (562,137)</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended August 31, 2020

Exhibit J-3

Data Control Codes	Budget			Variance with Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 30,614,000	\$ 31,384,118	\$ 31,413,264	\$ 29,146
5800	State Program Revenues	-	238,636	283,255	44,619
5020	Total Revenues	<u>30,614,000</u>	<u>31,622,754</u>	<u>31,696,519</u>	<u>73,765</u>
Expenditures					
Debt Service:					
0071	Principal on long-term debt	15,430,850	14,886,608	14,886,608	-
0072	Interest on long-term debt	15,173,150	18,005,972	17,363,092	642,880
0073	Bond issuance costs and fees	10,000	10,500	145,873	(135,373)
6030	Total Expenditures	<u>30,614,000</u>	<u>32,903,080</u>	<u>32,395,573</u>	<u>507,507</u>
1100	Excess (Deficiency) Revenues Over Expenditures	-	(1,280,326)	(699,054)	581,272
Other Financing Sources (Uses)					
7901	Refunding bonds issued	-	-	14,850,000	14,850,000
7916	Premium or discount on issuance of bonds	-	-	1,546,886	1,546,886
8949	Payment to bond refunding escrow agent	-	-	(16,252,175)	(16,252,175)
	Total other financing sources and uses	-	-	144,711	144,711
1200	Net change in fund balances	-	(1,280,326)	(554,343)	725,983
0100	Fund Balance - beginning	<u>10,442,380</u>	<u>10,442,380</u>	<u>10,442,380</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 10,442,380</u>	<u>\$ 9,162,054</u>	<u>\$ 9,888,037</u>	<u>\$ 725,983</u>



Galena Park
Independent School District

STATISTICAL SECTION
(UNAUDITED)



Galena Park
Independent School District

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION

The statistical section of the Galena Park 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	96
These schedules contain trend information to show how the District’s financial performance and position have changed over time	
Revenue Capacity	106
These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.	
Debt Capacity	115
These schedules present information to help assess the affordability of the District’s current debt burden and its ability to issue additional debt in the future.	
Demographic and Economic Information	118
These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.	
Operating Information	122
These schedules provide information about the District’s operations and resources to assist in using the financial statement information to better understand and assess the District’s economic condition.	

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

GALENA PARK INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Table 1
Page 1 of 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental Activities:					
Net investment in capital assets	\$ 82,381,316	\$ 70,926,256	\$ 74,968,166	\$ 77,029,615	\$ 71,473,347
Restricted	16,479,483	15,707,088	15,117,125	13,199,434	11,671,948
Unrestricted	<u>(45,243,522)</u>	<u>(46,367,360)</u>	<u>(48,808,224)</u>	<u>60,846,881</u>	<u>58,897,199</u>
Total Governmental Activities					
Net Position	<u>\$ 53,617,277</u>	<u>\$ 40,265,984</u>	<u>\$ 41,277,067</u>	<u>\$ 151,075,930</u>	<u>\$ 142,042,494</u>

Source of Information: Galena Park Independent School District's Financial Statements.

During the fiscal year 2015, the District adopted GASB Statement No. 68.

During the fiscal year 2018, the District adopted GASB 75.

This has been reflected beginning with fiscal year 2017 in the table above.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Table 1
Page 2 of 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities:					
Net investment in capital assets	\$ 64,843,915	\$ 50,303,111	\$ 48,447,172	\$ 48,387,569	\$ 53,833,026
Restricted	9,080,679	13,823,205	13,023,826	10,016,278	10,531,018
Unrestricted	50,004,043	57,092,596	33,597,971	10,028,641	5,897,450
Total Governmental Activities					
Net Position	<u>\$ 123,928,637</u>	<u>\$ 121,218,912</u>	<u>\$ 95,068,969</u>	<u>\$ 68,432,488</u>	<u>\$ 70,261,494</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Table 2
Page 1 of 2

	2020	2019	2018	2017	2016
Expenses:					
Governmental Activities:					
Instruction	\$ 153,242,430	144,116,946	\$ 89,827,768	\$ 134,569,316	\$ 119,286,904
Instructional Resources and Media Services	2,859,936	3,111,190	2,087,229	2,817,371	2,753,916
Curriculum and Instructional Staff Development	8,223,134	8,429,223	3,917,357	5,961,598	5,432,709
Instructional Leadership	7,939,367	7,174,319	4,294,280	6,087,473	5,758,176
School Leadership	18,314,290	17,162,560	10,122,707	14,360,951	13,720,730
Guidance, Counseling, and Evaluation Services	9,453,702	8,717,168	4,917,424	7,940,012	7,635,301
Social Work Services	1,074,481	1,096,919	957,290	904,579	696,048
Health Services	2,524,360	2,187,509	1,218,718	1,884,102	1,828,426
Student (Pupil) Transportation	9,622,201	9,786,986	6,699,179	8,491,227	6,478,596
Food Services	16,406,346	18,079,109	14,918,286	13,964,364	15,007,128
Cocurricular/Extracurricular Activities	5,903,790	5,570,196	4,500,283	5,100,028	5,424,069
General Administration	10,414,676	9,792,793	6,280,175	8,507,836	7,914,425
Facilities Maintenance and Operations	31,435,083	32,437,582	25,533,455	24,949,307	27,253,373
Security and Monitoring Services	4,017,895	3,105,078	2,481,646	2,488,235	2,568,194
Data Processing Services	5,212,184	4,355,431	3,534,658	3,805,769	3,815,141
Community Services	2,384,822	1,855,894	1,153,291	1,635,714	1,411,317
Debt Service - Interest on Long-term Debt	17,406,100	16,512,159	13,201,974	12,766,645	10,967,667
Debt Service - Bond Issuance Costs and Fees	145,873	9,810	148,891	1,757,777	-
Other Facility Costs	1,858,683	5,596,260	7,705,066	1,700,855	2,170,865
Payments Related to Shared Service Arrangements	395,167	-	-	-	-
Payments to appraisal district	1,043,300	978,581	936,346	937,503	908,466
Total Expenses	309,877,820	300,075,713	204,436,023	260,630,662	241,031,451
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction	726,617	812,261	1,048,802	673,736	804,888
School Leadership	132,931	243,410	236,070	147,074	160,176
Food Services	665,867	1,137,995	1,721,115	2,147,598	181,054
Cocurricular/Extracurricular Activities	1,588,542	1,160,518	1,042,594	1,237,846	2,339,622
General Administration	80,831	79,157	44,917	21,501	-
Facilities Maintenance and Operations	133,883	180,014	257,557	180,392	1,188,365
Security and Monitoring Services	8,729	5,868	11,230	5,375	-
Other Facility Costs	8,729	11,062	11,230	5,375	-
Other Activities	127,097	181,789	216,722	105,903	-
Operating Grants and Contributions	60,970,808	56,560,228	4,022,067	41,428,025	29,381,400
Total Program Revenues	64,444,034	60,372,302	8,612,304	45,952,825	34,055,505
Total Net (Expense)/Revenue	(245,433,786)	(239,703,411)	(195,823,719)	(214,677,837)	(206,975,946)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	143,079,999	133,615,993	126,900,406	127,044,616	121,304,611
State-aid formula grants	110,314,055	98,146,037	95,110,955	94,400,991	102,779,386
Grants and contributions not restricted	-	2,800	208,171	-	23,999
Investment earnings	5,044,982	6,680,051	4,561,526	2,446,240	687,509
Miscellaneous	44,008	247,447	567,982	201,980	294,298
Total General Revenues and Other Changes in Net Position	258,483,044	238,692,328	227,349,040	224,093,827	225,089,803
Total Change in Net Position	\$ 13,049,258	\$ (1,011,083)	\$ 31,525,321	\$ 9,415,990	\$ 18,113,857

Source of Information: Galena Park Independent School District's Financial Statements.

During the fiscal year 2015, the District adopted GASB Statement No. 68.

During the fiscal year 2018, the District adopted GASB 75.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Table 2
Page 2 of 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses:					
Governmental Activities:					
Instruction	\$ 118,671,778	\$ 113,536,472	\$ 110,548,329	\$ 119,602,322	\$ 122,370,042
Instructional Resources and Media Services	2,484,130	2,543,759	2,421,087	2,516,129	2,534,826
Curriculum and Instructional Staff Development	5,049,277	4,785,800	4,508,432	5,345,912	5,908,955
Instructional Leadership	5,446,409	5,158,621	4,728,055	5,141,031	4,956,514
School Leadership	12,226,016	11,686,374	9,877,826	10,620,953	11,178,042
Guidance, Counseling, and Evaluation Services	6,971,684	5,967,337	5,606,717	6,634,847	6,937,775
Social Work Services	533,315	581,864	419,590	388,202	537,078
Health Services	1,745,665	1,696,559	1,641,843	1,733,425	1,724,297
Student (Pupil) Transportation	6,060,314	5,442,835	5,533,763	5,520,678	5,508,054
Food Services	13,898,421	13,828,395	12,325,411	12,428,159	11,309,542
Cocurricular/Extracurricular Activities	4,956,638	4,784,559	3,896,064	4,209,663	3,842,327
General Administration	7,523,092	6,990,616	6,445,569	6,905,251	7,385,442
Facilities Maintenance and Operations	28,066,758	27,857,900	23,624,581	25,311,366	24,487,945
Security and Monitoring Services	2,572,674	2,778,838	2,013,057	1,968,539	2,363,252
Data Processing Services	3,177,492	2,516,556	2,539,098	2,289,328	2,195,154
Community Services	1,389,389	1,427,226	1,419,328	1,387,390	1,318,585
Debt Service - Interest on Long-term Debt	10,832,510	11,978,110	13,296,766	13,569,926	13,692,016
Debt Service - Bond Issuance Costs and Fees	-	-	-	2,100	99,352
Other Facility Costs	97,650	199,646	-	-	-
Payments Related to Shared Service Arrangements					
Payments to appraisal district	857,019	764,804	680,484	687,831	667,412
Total Expenses	232,560,231	224,526,271	211,526,000	226,263,052	229,016,610
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction	662,850	1,055,658	378,481	691,838	321,668
School Leadership	125,841	126,835	92,036	108,021	141,352
Food Services	2,396,603	2,748,933	2,584,100	2,629,662	2,664,951
Cocurricular/Extracurricular Activities	971,872	882,036	776,879	755,675	341,864
General Administration	-	-	-	-	-
Facilities Maintenance and Operations	191,367	293,264	29,935	145,482	160,201
Security and Monitoring Services	-	-	-	-	59,129
Other Facility Costs	-	-	-	-	-
Other Activities	-	-	-	-	-
Operating Grants and Contributions	34,844,417	36,638,833	34,920,645	47,454,168	52,386,497
Total Program Revenues	39,192,950	41,745,559	38,782,076	51,784,846	56,075,662
Total Net (Expense)/Revenue	(193,367,281)	(182,780,712)	(172,743,924)	(174,478,206)	(172,940,948)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	112,784,242	101,858,021	82,406,881	82,638,413	84,019,149
State Aid - Formula Grants	111,798,949	104,724,697	90,609,429	89,566,964	88,240,597
Unrestricted Grants and Contributions	69,486	86,213	3,524,025	3,619	133,886
Investment Earnings	206,950	167,415	195,268	226,543	285,073
Miscellaneous Income	298,220	266,551	325,679	213,661	166,548
Total General Revenues and Other Changes in Net Position	225,157,847	207,102,897	177,061,282	172,649,200	172,845,253
Total Change in Net Position	\$ 31,790,566	\$ 24,322,185	\$ 4,317,358	\$ (1,829,006)	\$ (95,695)

GALENA PARK INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Table 3
Page 1 of 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund					
Nonspendable	\$ 1,300,635	\$ 388,366	\$ 304,129	\$ 306,603	\$ 268,136
Assigned	111,522,186	100,916,702	58,758,224	57,700,343	55,725,484
Unassigned	<u>64,755,473</u>	<u>65,168,115</u>	<u>94,042,578</u>	<u>87,793,932</u>	<u>82,326,206</u>
Total General Fund	<u>\$ 177,578,294</u>	<u>\$ 166,473,183</u>	<u>\$ 153,104,931</u>	<u>\$ 145,800,878</u>	<u>\$ 138,319,826</u>
All other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 411,560
Restricted	120,503,862	47,084,225	86,386,208	78,363,471	10,598,276
Committed	1,352,219	932,812	979,669	1,025,607	1,102,102
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 121,856,081</u>	<u>\$ 48,017,037</u>	<u>\$ 87,365,877</u>	<u>\$ 79,389,078</u>	<u>\$ 12,111,938</u>

Source of Information: Galena Park Independent School District's Financial Statements.
 In fiscal year 2011, the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The fund balance classifications of Reserved and Unreserved are not used. The prior years were not restated.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 3
Page 2 of 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund					
Nonspendable	\$ 264,221	\$ 307,509	\$ 2,197,568	\$ 2,237,057	\$ 1,671,045
Assigned	43,270,858	62,387,369	31,379,551	30,576,739	28,828,263
Unassigned	<u>79,206,234</u>	<u>37,350,825</u>	<u>43,934,114</u>	<u>22,881,292</u>	<u>18,590,443</u>
Total General Fund	<u>\$ 122,741,313</u>	<u>\$ 100,045,703</u>	<u>\$ 77,511,233</u>	<u>\$ 55,695,088</u>	<u>\$ 49,089,751</u>
All other Governmental Funds					
Nonspendable	\$ 296,283	\$ 328,052	\$ 330,573	\$ 259,018	\$ 391,839
Restricted	7,570,842	15,290,632	14,938,506	15,433,451	20,337,361
Committed	1,177,195	1,105,276	1,118,844	1,117,250	925,527
Unassigned	<u>-</u>	<u>-</u>	<u>74,845</u>	<u>-</u>	<u>(2,513)</u>
Total All Other Governmental Funds	<u>\$ 9,044,320</u>	<u>\$ 16,723,960</u>	<u>\$ 16,462,768</u>	<u>\$ 16,809,719</u>	<u>\$ 21,652,214</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 4
Page 1 of 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues					
Local, intermediate, and out-of-state	\$ 147,159,861	\$ 145,587,284	\$ 136,892,734	\$ 133,337,630	\$ 128,445,612
State program revenues	126,260,713	109,707,400	108,204,475	107,035,082	111,995,083
Federal program revenues	36,651,040	37,855,892	34,007,875	27,173,751	26,322,625
Total Revenues	<u>310,071,614</u>	<u>293,150,576</u>	<u>279,105,084</u>	<u>267,546,463</u>	<u>266,763,320</u>
Expenditures					
Current:					
Instruction	133,490,511	125,988,014	129,063,669	123,706,019	119,942,290
Instruction resources and media services	2,382,133	2,516,946	2,591,408	2,464,077	2,474,879
Curriculum and instructional staff development	7,269,566	7,738,792	5,486,693	5,726,416	5,238,950
Instructional leadership	7,047,123	6,495,037	6,275,181	5,903,738	5,533,203
School leadership	16,315,703	15,517,306	14,844,711	13,964,197	13,251,279
Guidance, counseling and evaluation services	8,371,244	7,912,362	7,636,819	7,322,810	7,386,617
Social work services	1,030,829	1,063,796	1,034,714	883,931	820,905
Health services	2,220,874	1,932,854	1,831,454	1,824,679	1,743,465
Student transportation	9,506,132	8,331,354	8,974,070	9,887,235	6,963,858
Food services	14,481,564	15,651,622	15,128,504	13,250,802	14,151,542
Extracurricular activities	5,084,200	4,872,309	4,884,225	5,097,570	4,841,762
General administration	9,368,769	8,970,444	8,300,263	8,283,519	7,668,435
Facilities maintenance and operations	31,820,781	27,152,998	25,999,768	24,044,269	25,359,501
Security and monitoring services	3,980,016	2,999,425	2,565,479	2,480,853	2,590,903
Data processing services	5,150,659	3,720,992	3,918,590	3,530,405	3,294,586
Community services	2,161,568	1,727,629	1,592,004	1,585,371	1,365,667
Debt service:					
Principal on long-term debt	15,231,565	13,850,712	28,434,482	48,217,460	12,243,335
Interest on long-term debt	17,373,492	16,380,934	11,469,245	11,631,463	8,596,257
Bond issuance costs and fees	1,080,738	9,810	957,353	1,757,777	9,060
Capital outlay:					
Facilities acquisition and construction expenditures	36,788,974	45,470,902	93,708,297	26,244,957	3,817,722
Intergovernmental:					
Payments related to shared services arrangements	395,167	-	-	-	-
Payments to appraisal districts	1,043,300	978,581	936,346	937,503	908,466
Total Expenditures	<u>331,594,908</u>	<u>319,282,819</u>	<u>375,633,275</u>	<u>318,745,051</u>	<u>248,202,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,523,294)	(26,132,243)	(96,528,191)	(51,198,588)	18,560,638
Other Financing Sources (Uses):					
Refunding bonds issued	14,850,000	-	14,880,000	41,000,000	-
Capital related debt issued (regular bonds)	92,760,000	-	85,350,000	87,315,000	-
Sale of real and personal property	85,838	151,655	157,017	96,947	85,493
Transfers in	-	-	-	-	4
Premium or discount on issuance of bonds	14,721,751	-	11,422,026	11,141,318	-
Transfers out	-	-	-	-	(4)
Payment to bond refunding escrow agent	(16,252,175)	-	-	(13,213,931)	-
Other resources	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>106,165,414</u>	<u>151,655</u>	<u>111,809,043</u>	<u>126,339,334</u>	<u>85,493</u>
Net change in Fund Balances	<u>\$ 84,642,120</u>	<u>\$ (25,980,588)</u>	<u>\$ 15,280,852</u>	<u>\$ 75,140,746</u>	<u>\$ 18,646,131</u>
Debt Service as a percentage of Noncapital Expenditures	11.28%	10.96%	13.90%	20.60%	8.66%

Source of Information: Galena Park Independent School District's Financial Statements.

* Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less current year capital outlay in the reconciliation between the government-wide

GALENA PARK INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 4
Page 2 of 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues					
Local, intermediate, and out-of-state	\$ 115,585,283	\$ 107,545,114	\$ 100,870,878	\$ 86,839,658	\$ 88,352,462
State program revenues	122,134,322	115,638,378	111,519,829	100,431,290	101,831,613
Federal program revenues	24,897,318	25,663,538	25,300,766	28,555,473	35,122,701
Total Revenues	<u>262,616,923</u>	<u>248,847,030</u>	<u>237,691,473</u>	<u>215,826,421</u>	<u>225,306,776</u>
Expenditures					
Current:					
Instruction	116,123,750	108,236,343	105,345,195	104,778,613	113,533,933
Instruction resources and media services	2,261,229	2,297,366	2,096,006	2,156,143	2,238,478
Curriculum and instructional staff development	5,099,920	4,741,875	4,465,590	4,486,751	5,322,015
Instructional leadership	5,315,963	5,040,251	4,807,130	4,699,674	5,027,723
School leadership	12,087,329	11,495,594	9,780,324	9,733,219	10,470,061
Guidance, counseling and evaluation services	6,886,719	5,900,141	5,905,014	5,558,339	6,582,751
Social work services	543,602	578,533	466,373	417,632	386,115
Health services	1,708,342	1,653,579	1,580,846	1,606,261	1,695,358
Student transportation	5,647,991	5,705,878	5,610,045	5,210,690	5,098,572
Food services	13,497,039	13,146,607	12,385,551	12,037,705	13,163,036
Extracurricular activities	4,428,695	4,198,630	3,533,511	3,384,149	4,182,803
General administration	7,366,069	6,824,006	6,348,851	6,143,821	6,732,709
Facilities maintenance and operations	28,443,150	26,445,792	21,969,662	21,411,993	23,414,498
Security and monitoring services	2,575,648	2,839,113	2,412,958	2,044,109	2,006,943
Data processing services	3,799,413	2,271,870	2,635,290	2,826,525	2,449,516
Community services	1,436,163	1,408,332	1,395,984	1,406,599	1,373,535
Debt service:					
Principal on long-term debt	10,975,838	10,528,062	9,904,288	8,124,325	10,848,290
Interest on long-term debt	9,044,466	9,871,530	11,049,145	13,148,832	10,496,688
Bond issuance costs and fees	174,015	172,598	533,905	166,082	165,893
Capital outlay:					
Facilities acquisition and construction expenditures	680,693	294,454	3,892,873	4,583,902	8,337,870
Intergovernmental:					
Payments related to shared services arrangements	-	-	-	-	-
Payments to appraisal districts	857,019	764,804	721,839	680,484	687,831
Total Expenditures	<u>238,953,053</u>	<u>224,415,358</u>	<u>216,840,380</u>	<u>214,605,848</u>	<u>234,214,618</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	23,663,870	24,431,672	20,851,093	1,220,573	(8,907,842)
Other Financing Sources (Uses):					
Refunding bonds issued	9,505,000	8,970,000	37,990,000	9,234,299	9,250,000
Capital related debt issued (regular bonds)	-	-	-	-	-
Sale of real and personal property	84,150	41,806	34,816	230,813	79,973
Transfers in	-	13,427	79,105	1,346,897	235,750
Premium or discount on issuance of bonds	456,463	986,842	3,212,391	745,214	671,423
Transfers out	-	(13,427)	(79,105)	(1,346,897)	(235,750)
Payment to bond refunding escrow agent	(18,693,513)	(9,787,132)	(40,619,106)	(9,796,601)	(9,753,590)
Other resources	-	-	-	128,542	89,284
Total Other Financing Sources (Uses)	<u>(8,647,900)</u>	<u>211,516</u>	<u>618,101</u>	<u>542,267</u>	<u>337,090</u>
Net change in Fund Balances	<u>\$ 15,015,970</u>	<u>\$ 24,643,188</u>	<u>\$ 21,469,194</u>	<u>\$ 1,762,840</u>	<u>\$ (8,570,752)</u>
Debt Service as a percentage of Noncapital Expenditures	8.60%	9.23%	9.94%	10.23%	9.63%

GALENA PARK INDEPENDENT SCHOOL DISTRICT
REVENUE BY SOURCE FOR GOVERNMENTAL FUNDS*
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 5
Page 1 of 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues from Local and Intermediate Sources:					
Property Taxes	\$ 138,588,368	\$ 135,043,184	\$ 127,052,391	\$ 126,197,919	\$ 122,825,737
Food Sales	665,867	1,137,995	1,721,115	2,147,598	2,333,083
Earnings on Investments	5,044,982	6,680,051	4,561,526	2,446,240	687,500
Cocurricular / Student Activities	1,834,510	1,586,779	1,486,254	1,636,307	1,753,061
Other Revenues from Local and Intermediate Sources	1,026,134	1,139,275	2,071,448	909,566	846,231
Total Revenue from Local and Intermediate Sources	<u>147,159,861</u>	<u>145,587,284</u>	<u>136,892,734</u>	<u>133,337,630</u>	<u>128,445,612</u>
State Program Revenues:					
Foundation School Formula	103,483,843	87,169,752	90,716,034	85,840,648	97,269,336
TRS On-behalf Revenue	11,718,844	9,860,310	9,990,020	9,012,952	8,871,824
Debt Allotment	283,255	292,858	297,857	293,518	1,645,363
Available School Fund (Per Capita)	6,640,926	10,161,308	4,378,235	8,202,430	3,790,886
District Awards Teacher Excellence (DATE)	-	-	-	-	-
Technology Allotment	-	-	-	-	-
Student Success Initiative	-	-	-	-	-
Instructional Materials Allotment	3,509,786	1,182,637	2,371,307	2,779,972	-
TRS Employee Health Insurance	-	-	-	-	-
Other State Program Revenues *	637,555	1,040,535	451,022	905,562	417,674
Total State Program Revenues	<u>126,274,209</u>	<u>109,707,400</u>	<u>108,204,475</u>	<u>107,035,082</u>	<u>111,995,083</u>
Federal Program Revenues:					
State Fiscal Stabilization Fund	-	-	-	-	-
National School Breakfast and Lunch Program	12,371,041	15,584,005	13,311,988	10,877,567	11,012,191
ESEA Title I, Part A - Improving Basic Programs	6,542,843	6,660,958	5,531,025	5,260,683	5,132,166
IDEA Part B - Formula	3,748,976	4,304,814	3,642,371	3,778,859	3,515,491
IDEA Part B - Formula - ARRA	-	-	-	-	-
ESEA Title I, Part A - Improving Basic Programs - ARRA	-	-	-	-	-
SHARS	2,194,482	4,779,673	2,579,298	2,127,418	1,634,964
ESEA Title II, Part A - Teacher, Principal, Training, Recruiting	801,434	932,232	567,266	650,054	682,687
Early Head Start	838,003	787,981	802,344	795,590	781,856
ESEA Title III, Part A	688,893	674,919	699,755	927,765	683,384
USDA Commodities	1,152,337	1,013,479	1,131,030	1,051,725	979,489
Advanced Placement Incentive Program	-	-	-	12,968	-
E-Rate	407,265	378,343	378,343	406,155	498,286
Vocational Education - Carl D. Perkins	345,440	331,444	317,990	253,670	-
ESEA Title II, Part D - Technology Immersion Pilot (TIP)	-	-	-	-	-
Title I, Part C	96,852	124,314	114,610	184,710	-
21st Century	480,382	507,175	330,747	307,558	331,383
Education Jobs Fund	-	-	-	-	-
Title IV, Part A, Subpart 1	529,277	-	-	-	-
COVID 19 - ESSER Grant - CARES Act	5,505,785	-	-	-	-
Other Federal Program Revenue *	948,030	1,776,555	4,601,108	539,029	1,070,728
Total Federal Program Revenues	<u>36,651,040</u>	<u>37,855,892</u>	<u>34,007,875</u>	<u>27,173,751</u>	<u>26,322,625</u>
Total Revenues for Governmental Funds	<u>\$ 310,085,110</u>	<u>\$ 293,150,576</u>	<u>\$ 279,105,084</u>	<u>\$ 267,546,463</u>	<u>\$ 266,763,320</u>

* Individual local, state and federal programs in excess of \$300,000 are reported separately in this schedule. All others are combined as Other Local, State or Federal Program Revenues. Additionally, prior year information is not restated for programs or grants that exceed \$300,000 in a subsequent year, the amounts remain in Other Local, State or Federal Program Revenues.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
REVENUE BY SOURCE FOR GOVERNMENTAL FUNDS*
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 5
Page 2 of 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues from Local and Intermediate Sources:					
Property Taxes	\$ 110,746,646	\$ 101,898,646	\$ 96,060,301	\$ 82,518,824	\$ 83,600,427
Food Sales	2,396,720	2,750,940	2,655,573	2,584,201	2,629,662
Earnings on Investments	206,953	167,415	177,448	195,268	226,543
Cocurricular / Student Activities	1,143,482	1,062,967	1,367,827	1,121,203	1,025,400
Other Revenues from Local and Intermediate Sources	1,091,482	1,665,146	609,729	420,162	870,430
Total Revenue from Local and Intermediate Sources	<u>115,585,283</u>	<u>107,545,114</u>	<u>100,870,878</u>	<u>86,839,658</u>	<u>88,352,462</u>
State Program Revenues:					
Foundation School Formula	102,427,994	96,750,134	89,799,577	81,902,071	79,814,416
TRS On-behalf Revenue	8,584,055	7,975,683	6,868,878	7,395,226	8,193,606
Debt Allotment	2,340,175	2,553,951	4,503,773	3,597,685	3,134,120
Available School Fund (Per Capita)	5,505,980	5,347,184	9,490,102	5,056,922	6,555,194
District Awards Teacher Excellence (DATE)	-	-	-	1,454,823	1,480,587
Technology Allotment	-	-	-	-	591,107
Student Success Initiative	-	-	-	351,661	322,868
Instructional Materials Allotment	1,647,182	2,834,175	560,990	503,730	1,181,649
TRS Employee Health Insurance	1,451,572	-	-	-	-
Other State Program Revenues *	177,364	177,251	296,509	169,172	558,066
Total State Program Revenues	<u>122,134,322</u>	<u>115,638,378</u>	<u>111,519,829</u>	<u>100,431,290</u>	<u>101,831,613</u>
Federal Program Revenues:					
State Fiscal Stabilization Fund	-	-	-	-	7,685,510
National School Breakfast and Lunch Program	10,597,174	10,280,909	9,978,169	9,218,262	9,151,875
ESEA Title I, Part A - Improving Basic Programs	5,307,455	5,111,193	5,038,958	5,436,695	5,777,650
IDEA Part B - Formula	3,727,742	3,956,789	3,547,960	3,613,526	3,819,176
IDEA Part B - Formula - ARRA	-	-	-	-	1,115,174
ESEA Title I, Part A - Improving Basic Programs - ARRA	-	-	-	-	653,454
SHARS	-	1,606,362	1,588,777	958,755	1,316,842
ESEA Title II, Part A - Teacher, Principal, Training, Recruiting	726,222	744,649	718,650	734,977	959,530
Early Head Start	781,856	732,369	772,064	744,934	766,216
ESEA Title III, Part A	658,421	554,948	668,683	889,017	683,393
USDA Commodities	846,558	871,112	856,296	720,258	762,388
Advanced Placement Incentive Program	-	-	-	-	457,761
E-Rate	656,906	694,871	678,780	399,938	615,467
Vocational Education - Carl D. Perkins	-	-	-	-	-
ESEA Title II, Part D - Technology Immersion Pilot (TIP)	726,222	-	-	-	-
Title I, Part C	-	184,509	-	345,741	-
21st Century	406,429	253,876	-	536,926	-
Education Jobs Fund	-	-	-	3,792,270	-
Temporary Impact Aid - HERA	-	-	-	-	-
COVID 19 - ESSER Grant - CARES Act	-	-	-	-	-
Other Federal Program Revenue *	462,333	671,951	1,452,429	1,164,174	1,358,265
Total Federal Program Revenues	<u>24,897,318</u>	<u>25,663,538</u>	<u>25,300,766</u>	<u>28,555,473</u>	<u>35,122,701</u>
Total Revenues for Governmental Funds	<u>\$ 262,616,923</u>	<u>\$ 248,847,030</u>	<u>\$ 237,691,473</u>	<u>\$ 215,826,421</u>	<u>\$ 225,306,776</u>

** Individual local, state and federal programs in excess of \$300,000 are reported separately in this schedule. All others are combined as Other Local, State or Federal Program Revenues. Additionally, prior year information is not restated for programs or grants that exceed \$300,000 in a subsequent year, the amounts remain in Other Local, State or Federal Program Revenues.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 6
Page 1 of 2

Fiscal Year Ended August 31,	Appraised Value		Less Exemptions	Total Taxable Assessed Value
	Real Property	Personal Property		
2011	\$ 3,268,053,301	\$ 3,908,453,891	\$ (1,683,347,545)	\$ 5,493,159,647
2012	3,250,137,926	4,002,379,770	(1,832,449,109)	5,420,068,587
2013	3,287,403,674	5,077,288,433	(2,001,845,389)	6,362,846,718
2014	3,581,313,317	5,306,633,833	(2,139,221,068)	6,748,726,082
2015	3,919,364,078	5,764,517,819	(2,250,681,962)	7,433,199,935
2016	4,507,635,430	5,798,150,791	(2,163,524,334)	8,142,261,887
2017	4,940,676,453	5,278,686,671	(2,057,916,965)	8,161,446,159
2018	5,353,434,805	5,230,755,233	(2,406,483,054)	8,177,706,984
2019	5,536,400,083	5,245,830,296	(2,187,855,839)	8,594,374,540
2020	6,970,608,981	5,245,465,959	(2,408,313,931)	9,807,761,009

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

Source: Harris County Appraisal District

Note: The real property numbers were derived by using the tax roll for the necessary year and adding the totals for all items designated as "real" in the property use category description.

Personal property represents items not identified as "real" in the property use category description.

Actual value is the market value as reported by HCAD.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 6
Page 2 of 2

Fiscal Year Ended August 31,	Total Direct Tax Rate (1)	Actual Value	Assessed Value as a Percentage of Actual Value
2011	\$ 1.51340	\$ 7,191,240,810	76%
2012	1.51340	7,264,497,418	75%
2013	1.51340	8,376,275,379	76%
2014	1.51340	8,901,084,602	76%
2015	1.51340	9,711,137,783	77%
2016	1.51340	10,369,374,842	79%
2017	1.56330	10,323,739,943	79%
2018	1.56330	10,681,744,645	77%
2019	1.56330	10,840,772,505	79%
2020	1.56330	12,369,311,847	79%

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

Source: Harris County Appraisal District

Note: The real property numbers were derived by using the tax roll for the necessary year and adding the totals for all items designated as "real" in the property use category description.

Personal property represents items not identified as "real" in the property use category description.

Actual value is the market value as reported by HCAD.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Table 7
Page 1 of 2

Taxing Authority	2020	2019	2018	2017	2016
Overlapping Rates:					
Cities:					
Galena Park, City of	\$ 1.11132	\$ 1.17339	\$ 1.03745	\$ 1.03745	\$ 1.03745
Houston, City of	0.56792	0.58831	0.58421	0.58642	0.60112
Jacinto City, City of	0.78355	0.78355	0.78355	0.78355	0.78355
Counties:					
Harris Co	0.40713	0.41858	0.41801	0.41656	0.41923
Municipal Utility Districts:					
Harris Co MUD #8	0.43000	0.50000	0.57000	0.58250	0.58250
Harris Co MUD #53	0.55000	0.60000	0.60000	0.66000	0.74000
Harris Co MUD #285	0.69000	0.71000	0.72000	0.74000	0.81000
Water Control and Improvement Districts:					
Harris Co WC&ID #36	0.32000	0.35000	0.35000	0.35000	0.35000
Port of Houston Authority	0.01074	0.01155	0.01256	0.01334	0.01342
Other Governmental Entities:					
Harris Co Dept. of Education	0.00500	0.00519	0.00520	0.00520	0.00542
Harris Co Flood Control District	0.02792	0.02877	0.02831	0.02829	0.02733
Harris Co FWSD #51	0.25000	0.25000	0.25000	0.25700	0.28200
San Jacinto Community College District	0.17817	0.17933	0.18334	0.18238	0.17578
District Direct Rates:					
Maintenance and Operations	1.14170	1.24330	1.24330	1.24330	1.24330
Debt Service	0.33000	0.33000	0.32000	0.32000	0.27010
Total District Direct Rates	\$ 1.47170	\$ 1.57330	\$ 1.56330	\$ 1.56330	\$ 1.51340

Source: Harris County Appraisal District

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Table 7
Page 2 of 2

Taxing Authority	2015	2014	2013	2012	2011
Overlapping Rates:					
Cities:					
Galena Park, City of	\$ 1.04745	\$ 1.04745	\$ 1.05745	\$ 1.03745	\$ 1.03745
Houston, City of	0.63108	0.63875	0.63875	0.63875	0.63875
Jacinto City, City of	0.79991	0.79991	0.76612	0.79593	0.80153
Counties:					
Harris Co	0.41731	0.41455	0.40021	0.39117	0.38805
Municipal Utility Districts:					
Harris Co MUD #8	0.64000	0.68000	0.68000	0.56500	0.54250
Harris Co MUD #53	0.81000	0.88000	0.91000	0.87500	0.82500
Harris Co MUD #285	0.90000	0.96000	0.98000	0.94500	0.93000
Water Control and Improvement Districts:					
Harris Co WC&ID #36	0.35000	0.33000	0.31000	0.29000	0.29000
Port of Houston Authority	0.01531	0.01716	0.01952	0.01856	0.02054
Other Governmental Entities:					
Harris Co Dept. of Education	0.00600	0.00636	0.00662	0.00658	0.06581
Harris Co Flood Control District	0.02736	0.02827	0.02809	0.02809	0.02923
Harris Co FWSD #51	0.30000	0.33000	0.34500	0.34000	0.32000
San Jacinto Community College District	0.18560	0.18560	0.18560	0.18560	0.17628
District Direct Rates:					
Maintenance and Operations	1.24330	1.24330	1.24330	1.18340	1.18340
Debt Service	0.27010	0.27010	0.27010	0.33000	0.33000
Total District Direct Rates	\$ 1.51340	\$ 1.51340	\$ 1.51340	\$ 1.51340	\$ 1.51340

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

Table 8

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Houston Fuel Co	\$ 458,247,817	1	4.67%	\$ 97,654,569	6	1.78%
Oiltanking Houston Inc	436,133,105	2	4.45%	123,037,952	4	2.24%
Kinder Morgan	420,334,230	3	4.29%	Not Available		
Helmerich & Payne	347,927,190	4	3.55%	242,118,318	2	4.41%
Magellan Terminal Holdings	326,099,249	5	3.32%	125,024,236	3	2.28%
Enterprise Terminalling LLC	234,058,652	6	2.39%	Not Available		
Stolt Nielsen Inc	208,023,897	7	2.12%	Not Available		
Oiltanking Houston LP	200,651,297	8	2.05%	Not Available		
Shell Oil Co	184,938,435	9	1.89%	104,368,474	5	
Targa Midstream	180,385,388	10	1.84%	Not Available		
GE Packaged Power LP	Not Available			290,208,187	1	5.28%
Chevron Chemical Co	Not Available			96,768,643	7	1.76%
GB Biosciences Corp	Not Available			90,625,690	8	1.65%
GATX Terminals Corp	Not Available			71,878,883	9	1.31%
Ameriforge Group Inc	Not Available			69,266,510	10	1.26%
	<u>\$ 2,996,799,260</u>		<u>30.56%</u>	<u>\$ 1,310,951,462</u>		<u>21.97%</u>

Source: District Records

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 9

Fiscal Year Ended August 31,	Total Tax Levy for Fiscal Year (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 82,295,761	\$ 81,347,725	98.85%	\$ 804,763	\$ 82,152,488	99.83%
2012	81,213,818	80,669,815	99.33%	412,066	81,081,881	99.84%
2013	95,279,135	94,771,892	99.47%	229,303	95,001,195	99.71%
2014	100,695,813	100,810,877	100.11%	(411,382)	100,399,495	99.71%
2015	110,718,209	109,459,347	98.86%	1,029,620	110,488,967	99.79%
2016	122,631,977	121,009,127	98.68%	1,396,752	122,405,879	99.82%
2017	125,811,494	124,665,857	99.09%	824,811	125,490,668	99.74%
2018	125,639,836	124,470,324	99.07%	585,080	125,055,404	99.53%
2019	132,843,071	132,339,933	99.62%	(313,427)	132,026,506	99.39%
2020	143,206,745	137,481,913	96.00%	-	137,481,913	96.00%

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

GALENA PARK INDEPENDENT SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 10

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt per Student (2)
	Schoolhouse and Refunding Bonds	Qualified Zone Academy Bonds			
2011	\$ 277,026,865	\$ 5,037,428	\$ 282,064,293	5.13%	\$ 13,085
2012	269,248,264	4,305,909	273,554,173	5.05%	12,560
2013	260,208,967	3,574,390	263,783,357	4.15%	11,984
2014	252,892,055	2,842,871	255,734,926	3.79%	11,358
2015	236,617,958	2,111,352	238,729,310	3.21%	10,545
2016	226,885,674	1,379,833	228,265,507	2.80%	10,140
2017	306,325,778	1,034,875	307,360,653	3.77%	13,490
2018	389,905,689	689,916	390,595,605	4.78%	17,290
2019	376,082,361	344,957	376,427,318	4.38%	16,888
2020	466,113,669	-	466,113,669	4.75%	20,783

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- (1) See Table 6 for assessed value information.
- (2) See Table 17 for student enrollment information.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 11

Fiscal Year	Schoolhouse and Refunding Bonds Outstanding	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Net Bonded Debt per Student (2)
2010	\$ 277,026,865	\$ 4,973,571	\$ 272,053,294	4.95%	\$ 12,620
2011	269,248,264	7,386,838	261,861,426	4.83%	12,023
2012	260,208,967	8,942,426	251,266,541	3.95%	11,415
2013	252,892,055	10,043,759	242,848,296	3.60%	10,786
2014	236,617,958	4,024,630	232,593,328	3.13%	10,274
2015	226,885,674	7,539,501	219,346,173	2.69%	9,744
2016	306,325,778	8,430,836	297,894,942	3.65%	13,075
2017	389,905,689	11,195,980	378,709,709	4.63%	16,764
2018	376,082,361	10,442,380	365,639,981	4.25%	16,405
2019	466,113,669	9,888,037	456,225,632	4.65%	20,342

(1) See Table 6 for assessed value information.

(2) See Table 17 for student enrollment.



Galena Park
Independent School District

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
For the Year Ended August 31, 2020

Table 12

Governmental Unit	Net Debt		Percentage Overlapping	Amount of Overlapping Debt
	Amount	As Of		
Cities:				
Galena Park	\$ 4,595,000	08/31/20	100.00%	\$ 4,595,000
Houston	3,423,995,000	08/31/20	0.30%	10,271,985
Jacinto City	925,000	08/31/20	38.03%	351,778
Counties:				
Harris	1,867,957,125	08/31/20	2.01%	37,545,938
Municipal Utility Districts:				
Harris Co. MUD 8	2,440,000	08/31/20	100.00%	2,440,000
Harris Co. MUD 53	9,185,000	08/31/20	24.62%	2,261,347
Harris Co. MUD 285	59,090,000	08/31/20	64.26%	37,971,234
Harris Co. MUD 421	3,150,000	08/31/20	30.14%	949,410
Water Control and Improvement Districts				
Harris Co. WC&ID 36	9,065,000	08/31/20	100.00%	9,065,000
Port of Houston Authority	514,174,397	08/31/20	2.01%	10,334,905
Other Governmental Entities:				
Harris County Department of Education	6,320,000	08/31/20	2.01%	127,032
Harris County Flood Control District	83,075,000	08/31/20	2.01%	1,669,808
Harris Co. FWSD 47	4,985,000	08/31/20	21.98%	1,095,703
Harris Co. FWSD 51	12,650,000	08/31/20	100.00%	12,650,000
Harris County Hospital District	86,050,000	08/31/20	2.10%	1,807,050
Harris County Improvement Department	4,075,000	08/31/20	58.02%	2,364,315
Harris County Toll Road Authority	-	08/31/20	2.01%	-
San Jacinto Community College District	480,440,414	08/31/20	16.01%	76,918,510
Subtotal, overlapping debt				212,419,015
Galena Park Independent School District Direct Debt				466,113,669
Total Direct and Overlapping Debt				\$ 678,532,684

Sources: Texas Municipal Report issued by the Municipal Advisory Council of Texas

GALENA PARK INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Table 13
Page 1 of 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 1,221,607,494	\$ 1,072,053,056	\$ 1,058,419,004	\$ 1,021,936,312	\$ 1,030,578,622
Less: Total Net Debt Applicable to Limit	<u>454,849,426</u>	<u>364,311,123</u>	<u>377,143,291</u>	<u>237,832,528</u>	<u>161,102,136</u>
Legal Debt Margin	<u>\$ 766,758,068</u>	<u>\$ 707,741,933</u>	<u>\$ 681,275,713</u>	<u>\$ 784,103,784</u>	<u>\$ 869,476,486</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	37.23%	33.98%	35.63%	23.27%	15.63%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Taxable Value	\$ 9,807,761,009
Add back:	
Exempt Real Property	<u>2,408,313,931</u>
Total Assessed Value	<u>\$ 12,216,074,940</u>
Debt Limit (10% of total assessed value)	\$ 1,221,607,494
Debt Applicable to Limit:	
Schoolhouse and Refunding Bonds	464,737,463
Qualified Zone Academy Bonds	-
Less: Amount set aside for repayment of bonds	<u>(9,888,037)</u>
Total Net Debt Applicable to Limit	<u>454,849,426</u>
Legal Debt Margin	<u>\$ 766,758,068</u>

Note: Although there is no legal debt limit in the State of Texas, most school business officials in the State hold the opinion that the Attorney General would not approve bonded indebtedness in excess of 10 percent of assessed value.

Source: Harris County Appraisal District.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Table 13
Page 2 of 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 968,388,190	\$ 888,794,715	\$ 836,469,211	\$ 732,506,483	\$ 626,711,874
Less: Total Net Debt Applicable to Limit	<u>177,003,817</u>	<u>191,581,929</u>	<u>200,567,976</u>	<u>211,902,613</u>	<u>235,156,283</u>
Legal Debt Margin	<u>\$ 791,384,373</u>	<u>\$ 697,212,786</u>	<u>\$ 499,406,933</u>	<u>\$ 487,790,549</u>	<u>\$ 391,555,591</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	18.28%	21.56%	30.96%	31.82%	31.64%

GALENA PARK INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 14

Fiscal Year	Residential Units (1)	Total Assessed Value per Residential Unit (1)	Average Assessed Value per Residential Unit (1)	Median Annual Income (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2011	20,534	\$ 1,193,407,476	\$ 61,508	\$ 34,430	Not Available	8.1%
2012	20,572	1,150,278,910	58,119	35,150	Not Available	7.0%
2013	20,606	1,103,012,056	53,529	35,342	Not Available	6.1%
2014	20,669	1,131,283,208	54,733	36,042	Not Available	5.5%
2015	20,832	1,195,762,229	57,400	36,879	Not Available	4.6%
2016	20,911	1,210,395,703	57,883	51,831	Not Available	5.8%
2017	21,000	1,371,699,481	65,319	52,874	Not Available	5.2%
2018	21,123	1,490,080,386	70,543	53,815	Not Available	4.4%
2019	21,240	1,592,091,619	74,957	54,294	Not Available	3.9%
2020	21,275	1,855,452,355	87,213	54,294	Not Available	8.5%

(1) Harris County Appraisal District

The residential property numbers were derived by using the tax roll for the necessary year and adding the totals for all items designated as "residential" in the property use category description.

(2) TRACER of Texas Workforce Commission for Harris County

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 15

Taxpayer	2020			2011		
	Employees	Rank	Percentage of Principal Employers	Employees	Rank	Percentage of Principal Employers
Galena Park Independent School District	3,255	1	60%	3,104		57%
Walmart	729	2	13%	400		7%
Chevron (Pasadena Plastics Plant)	372	3	7%	592		11%
Home Depot	220	4	4%	not available		
Sam's Club @ East Freeway	200	5	4%	500		9%
United States Gypsum Co	185	6	3%	350		6%
Shell Oil Products	172	7	3%	not available		
Lowes @ East Sam Houston	147	8	3%	not available		
Academy	100	9	2%	not available		
City of Galena Park	77	10	1%	150		3%
National Oilwell Varco	not available			350		6%
	<u>5,457</u>		<u>100.00%</u>	<u>5,446</u>		<u>100%</u>

Source: District records or managerial contact for referenced Employer.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES
LAST TEN FISCAL YEARS

Table 16
Page 1 of 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Professional Staff					
Teachers	1,375	1,359	1,409	1,401	1,410
Professional Support	384	412	370	393	401
Campus Administration	88	87	78	78	80
Central Administration	62	54	52	57	51
Education Aides	271	250	239	245	204
Auxiliary Staff	<u>1,075</u>	<u>1,057</u>	<u>1,044</u>	<u>980</u>	<u>794</u>
Total	<u>3,255</u>	<u>3,218</u>	<u>3,193</u>	<u>3,153</u>	<u>2,940</u>

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

GALENA PARK INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES
LAST TEN FISCAL YEARS

Table 16
Page 2 of 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Professional Staff					
Teachers	1,380	1,473	1,480	1,492	1,537
Professional Support	380	263	297	270	307
Campus Administration	77	76	69	65	74
Central Administration	47	51	11	35	29
Education Aides	223	177	127	98	134
Auxiliary Staff	<u>870</u>	<u>918</u>	<u>956</u>	<u>1,014</u>	<u>1,023</u>
Total	<u>2,977</u>	<u>2,958</u>	<u>2,940</u>	<u>2,974</u>	<u>3,104</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Table 17
Page 1 of 2

Fiscal Year August 31,	Average Daily Attendance	Governmental Fund Expenditures		Government-wide Expenses	
		Operating Expenditures (1)	Cost per Student	Governmental Activities Expenses	Cost per Student
2011	20,114	\$ 204,365,877	\$ 10,160	\$ 226,263,052	\$ 11,249
2012	20,226	188,582,707	9,324	211,523,486	10,458
2013	20,500	191,994,074	9,366	213,051,992	10,393
2014	20,884	203,548,714	9,747	224,526,271	10,751
2015	21,019	218,078,041	10,375	232,560,231	11,064
2016	21,002	223,536,308	10,644	241,031,451	11,477
2017	21,185	230,893,394	10,934	260,630,662	12,303
2018	20,899	241,063,898	11,535	204,436,023	9,782
2019	20,773	243,570,461	11,725	300,075,713	14,445
2020	20,203	261,120,139	12,925	304,521,400	15,073

Source: District Records

- (1) Operating expenditures include governmental fund expenditures less debt service and facilities acquisition and construction expenditures.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Table 17
Page 2 of 2

Fiscal Year August 31,	District Employees				Final Enrollment	Percentage Increase in Enrollment	Student / Teacher Ratio	Students
	Teachers	Professionals	Other	Total				Participating in Free/Reduced Lunch Program
2011	1,537	410	1,157	3,104	21,557	0.691%	14	16,842
2012	1,492	370	1,112	2,974	21,780	1.03%	15	17,216
2013	1,480	297	1,163	2,940	22,012	1.07%	15	18,220
2014	1,473	263	1,222	2,958	22,515	2.29%	15	18,055
2015	1,380	380	1,217	2,977	22,639	0.55%	16	18,075
2016	1,410	401	1,129	2,940	22,511	-0.57%	16	17,919
2017	1,401	393	1,359	3,153	22,784	1.21%	16	18,263
2018	1,409	370	1,444	3,223	22,591	-0.85%	16	17,964
2019	1,359	412	1,448	3,218	22,289	-1.34%	16	11,754
2020	1,375	384	1,496	3,255	22,428	0.62%	16	11,922



Galena Park
Independent School District

GALENA PARK INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 18

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Statewide Average (2)
2011	\$ 45,000	\$ 70,575	\$ 48,638
2012	45,000	70,575	48,375
2013	45,000	70,575	48,821
2014	45,500	71,825	49,692
2015	50,000	73,150	50,715
2016	51,000	74,500	51,891
2017	52,500	75,250	52,525
2018	54,000	76,700	53,334
2019	55,000	79,320	54,122
2020	58,000	79,320	57,091

(1) Source: District Records

(2) Source: Texas Education Agency TAPR (Texas Academic Performance Report)

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 1 of 10

Building:	Year Built	2020	2019	2018	2017	2016
HIGH SCHOOLS						
Galena Park	1950					
Square Footage		277,914	277,914	277,914	277,914	277,914
Capacity (see note #1)		1,869	1,869	1,869	1,869	1,869
Enrollment		1,813	1,843	2,016	2,051	2,062
North Shore West	1954					
Square Footage		390,876	390,876	390,876	390,876	390,876
Capacity (see note #1)		1,678	1,678	1,678	1,678	1,678
Enrollment		1,151	1,162	1,192	1,251	1,185
North Shore East (see note #3)	1956					
Square Footage		120,555	120,555	120,555	120,555	120,555
Capacity (see note #1)		1,134	1,134	1,134	1,134	1,134
North Shore Senior High - 10th Grade	2018					
Square Footage (see note #4)		125,020	125,020	-	-	-
Capacity (see note #1)		1,200	1,200	-	-	-
Enrollment		1,173	1,116	-	-	-
North Shore Senior High	1998					
Square Footage		492,913	492,913	492,913	492,913	492,913
Capacity (see note #1)		3,384	3,384	3,384	3,384	3,384
Enrollment		2,228	2,259	3,586	3,590	3,468
Sub-Total Sq Ft. High Schools		1,407,278	1,407,278	1,282,258	1,282,258	1,282,258
MIDDLE SCHOOLS						
Galena Park	1993					
Square Footage		149,394	149,394	149,394	149,394	149,394
Capacity (see note #1)		1,106	1,106	1,106	1,106	1,106
Enrollment		1,104	1,064	1,013	1,024	999
North Shore	1993					
Square Footage		216,836	216,836	216,836	216,836	216,836
Capacity (see note #1)		1,449	1,449	1,449	1,449	1,449
Enrollment		1,351	1,380	1,406	1,398	1,396

Source: District Records

Note #1: Capacity does not include temporary buildings

Note #2: This is a specialized campus where students are enrolled in either GPHS, NSSHS, or NSHS West.

Note #3: North Shore East consists of Accelerated Center for Education, Center for Success, Central Intake, and Success Academy

Note #4: New campus construction completed in 2018, open for the 2018-19 school year.

Note #5: New campus construction completed in 2019, open for the 2019-20 school year.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 2 of 10

Building:	Year Built	2015	2014	2013	2012	2011
HIGH SCHOOLS						
Galena Park	1950					
Square Footage		277,914	277,914	277,914	277,914	277,914
Capacity (see note #1)		1,869	1,869	1,869	1,869	1,869
Enrollment		1,967	2,025	1,915	1,867	1,733
North Shore West	1954					
Square Footage		390,876	390,876	390,876	390,876	390,876
Capacity (see note #1)		1,678	1,678	1,678	1,678	1,678
Enrollment		1,184	1,036	1,156	1,122	1,193
North Shore East (see note #3)	1956					
Square Footage		120,555	120,555	120,555	120,555	120,555
Capacity (see note #1)		1,134	1,134	1,134	1,134	1,134
North Shore Senior High - 10th Grade	2018	-	-	-	-	-
Square Footage (see note #4)		-	-	-	-	-
Capacity (see note #1)		-	-	-	-	-
Enrollment						
North Shore Senior High	1998					
Square Footage		492,913	492,913	492,913	492,913	492,913
Capacity (see note #1)		3,384	3,384	3,384	3,384	3,384
Enrollment		3,373	3,257	3,319	3,322	3,241
Sub-Total Sq Ft. High Schools		1,282,258	1,282,258	1,282,258	1,282,258	1,282,258
MIDDLE SCHOOLS						
Galena Park	1993					
Square Footage		149,394	149,394	149,394	149,394	149,394
Capacity (see note #1)		1,106	1,106	1,106	1,106	1,106
Enrollment		971	1,039	1,052	1,072	1,060
North Shore	1993					
Square Footage		216,836	216,836	216,836	216,836	216,836
Capacity (see note #1)		1,449	1,449	1,449	1,449	1,449
Enrollment		1,365	1,344	1,310	1,269	1,324

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 3 of 10

Building:	Year Built	2020	2019	2018	2017	2016
MIDDLE SCHOOLS (continued)						
Woodland Acres	1947					
Square Footage		97,086	97,086	97,086	97,086	97,086
Capacity (see note #1)		659	659	659	659	659
Enrollment		546	514	534	542	523
Cunningham	1981					
Square Footage		167,234	167,234	167,234	167,234	167,234
Capacity (see note #1)		1,123	1,123	1,123	1,123	1,123
Enrollment		986	962	988	1,015	958
Cobb 6th Grade Campus	2000					
Square Footage		130,893	130,893	130,893	130,893	130,893
Capacity (see note #1)		1,240	1,240	1,240	1,240	1,240
Enrollment		1,253	1,155	1,142	1,168	1,167
Sub-Total Sq Ft. Middle Schools		761,443	761,443	761,443	761,443	761,443
ELEMENTARY SCHOOLS						
Cimarron	1954					
Square Footage		90,123	90,123	90,123	90,123	90,123
Capacity (see note #1)		1,034	1,034	1,034	1,034	1,034
Enrollment		745	735	749	780	799
Cloverleaf	1942					
Square Footage		114,450	89,346	89,346	89,346	89,346
Capacity (see note #1)		968	1,048	1,048	1,048	1,048
Enrollment		810	772	836	805	831
Galena Park	2018					
Square Footage (see note #4)		91,901	91,901	79,396	79,396	79,396
Capacity (see note #1)		700	700	700	700	700
Enrollment		582	602	603	622	644

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 4 of 10

Building:	Year Built	2015	2014	2013	2012	2011
MIDDLE SCHOOLS (continued)						
Woodland Acres	1947					
Square Footage		97,086	97,086	97,086	97,086	97,086
Capacity (see note #1)		659	659	659	659	659
Enrollment		517	459	458	472	487
Cunningham	1981					
Square Footage		167,234	167,234	167,234	167,234	167,234
Capacity (see note #1)		1,123	1,123	1,123	1,123	1,123
Enrollment		945	998	887	913	907
Cobb 6th Grade Campus	2000					
Square Footage		130,893	130,893	130,893	130,893	130,893
Capacity (see note #1)		1,240	1,240	1,240	1,240	1,240
Enrollment		1,157	1,063	1,155	1,162	1,009
Sub-Total Sq Ft. Middle Schools		761,443	761,443	761,443	761,443	761,443
ELEMENTARY SCHOOLS						
Cimarron	1954					
Square Footage		90,123	90,123	90,123	90,123	90,123
Capacity (see note #1)		1,034	1,034	1,034	1,034	1,034
Enrollment		791	833	809	810	807
Cloverleaf	1942					
Square Footage		89,346	89,346	89,346	89,346	89,346
Capacity (see note #1)		1,048	1,048	1,048	1,048	1,048
Enrollment		812	871	845	804	836
Galena Park	2018					
Square Footage (see note #4)		79,396	79,396	79,396	79,396	79,396
Capacity (see note #1)		700	700	700	700	700
Enrollment		628	671	670	655	667

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 5 of 10

Building:	Year Built	2020	2019	2018	2017	2016
ELEMENTARY SCHOOLS (continued)						
Green Valley	1958					
Square Footage		96,041	96,041	96,041	96,041	96,041
Capacity (see note #1)		988	988	988	988	988
Enrollment		689	677	763	780	806
Jacinto City	1943					
Square Footage		95,554	95,554	95,554	95,554	95,554
Capacity (see note #1)		864	864	864	864	864
Enrollment		700	721	784	791	827
MacArthur	1951					
Square Footage		88,864	88,864	88,864	88,864	88,864
Capacity (see note #1)		790	790	790	790	790
Enrollment		672	708	768	711	707
North Shore	2018					
Square Footage (see note #4)		135,598	135,598	88,789	88,789	88,789
Capacity (see note #1)		1,010	1,010	920	920	920
Enrollment		1,002	992	969	995	987
Pyburn	1952					
Square Footage		73,654	73,654	73,654	73,654	73,654
Capacity (see note #1)		720	720	720	720	720
Enrollment		594	599	653	642	649
Woodland Acres	2018					
Square Footage (see note #4)		80,497	80,497	62,010	62,010	62,010
Capacity (see note #1)		500	500	499	499	499
Enrollment		459	481	469	459	438

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 6 of 10

Building:	Year Built	2015	2014	2013	2012	2011
ELEMENTARY SCHOOLS (continued)						
Green Valley	1958					
Square Footage		96,041	96,041	96,041	96,041	96,041
Capacity (see note #1)		988	988	988	988	988
Enrollment		765	720	701	679	669
Jacinto City	1943					
Square Footage		95,554	95,554	95,554	95,554	95,554
Capacity (see note #1)		864	864	864	864	864
Enrollment		823	828	860	792	822
MacArthur	1951					
Square Footage		88,864	88,864	88,864	88,864	88,864
Capacity (see note #1)		790	790	790	790	790
Enrollment		696	721	730	726	735
North Shore	2018					
Square Footage (see note #4)		88,789	88,789	88,789	88,789	88,789
Capacity (see note #1)		920	920	920	920	920
Enrollment		959	915	912	885	854
Pyburn	1952					
Square Footage		73,654	73,654	73,654	73,654	73,654
Capacity (see note #1)		720	720	720	720	720
Enrollment		633	681	683	652	623
Woodland Acres	2018					
Square Footage (see note #4)		62,010	62,010	62,010	62,010	62,010
Capacity (see note #1)		499	499	499	499	499
Enrollment		437	419	422	426	453

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 7 of 10

Building:	Year Built	2020	2019	2018	2017	2016
ELEMENTARY SCHOOLS (continued)						
Tice	1981					
Square Footage		80,680	80,680	80,680	80,680	80,680
Capacity (see note #1)		792	792	792	792	792
Enrollment		716	680	690	714	700
Purple Sage	1990					
Square Footage		92,795	92,795	92,795	92,795	92,795
Capacity (see note #1)		747	747	747	747	747
Enrollment		559	528	548	596	568
Havard	2000					
Square Footage		102,713	102,713	102,713	102,713	102,713
Capacity (see note #1)		890	890	890	890	890
Enrollment		652	711	690	700	682
Normandy Crossing	2004					
Square Footage		106,800	106,800	106,800	106,800	106,800
Capacity (see note #1)		777	777	777	777	777
Enrollment		656	632	664	668	643
Shirley J Williamson	2003					
Square Footage		105,000	105,000	105,000	105,000	105,000
Capacity (see note #1)		797	797	797	797	797
Enrollment		685	680	688	628	641
Sam Houston	2007					
Square Footage		105,000	105,000	105,000	105,000	105,000
Capacity (see note #1)		880	880	880	880	880
Enrollment		803	826	837	854	869
Sub-Total Sq Ft. Elementary Schools		1,459,670	1,434,566	1,356,765	1,356,765	1,356,765

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 8 of 10

Building:	Year Built	2015	2014	2013	2012	2011
ELEMENTARY SCHOOLS (continued)						
Tice	1981					
Square Footage		80,680	80,680	80,680	80,680	80,680
Capacity (see note #1)		792	792	792	792	792
Enrollment		690	733	707	675	637
Purple Sage	1990					
Square Footage		92,795	92,795	92,795	92,795	92,795
Capacity (see note #1)		747	747	747	747	747
Enrollment		560	503	512	572	594
Havard	2000					
Square Footage		102,713	102,713	102,713	102,713	102,713
Capacity (see note #1)		890	890	890	890	890
Enrollment		696	679	674	684	665
Normandy Crossing	2004					
Square Footage		106,800	106,800	106,800	106,800	106,800
Capacity (see note #1)		777	777	777	777	777
Enrollment		630	652	609	649	627
Shirley J Williamson	2003					
Square Footage		105,000	105,000	105,000	105,000	105,000
Capacity (see note #1)		797	797	797	797	797
Enrollment		621	698	686	575	542
Sam Houston	2007					
Square Footage		105,000	105,000	105,000	105,000	105,000
Capacity (see note #1)		880	880	880	880	880
Enrollment		848	863	826	827	845
Sub-Total Sq Ft. Elementary Schools		1,356,765	1,356,765	1,356,765	1,356,765	1,356,765

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 9 of 10

Building:	Year Built	2020	2019	2018	2017	2016
OTHER CAMPUSES						
Becker Early Head Start	1978					
Square Footage		9,295	9,295	9,295	9,295	9,295
Capacity		64	64	64	64	64
Enrollment		64	64	64	64	64
PEP Center	2007					
Square Footage		9,651	9,651	9,651	9,651	9,651
Capacity		48	48	48	48	48
Enrollment		48	48	48	48	48
Childcare Center	2019					
Square Footage		23,147	-	-	-	-
Capacity		100	-	-	-	-
Enrollment		70	-	-	-	-
Sub-Total Sq Ft. Other Campuses		42,093	18,946	18,946	18,946	18,946
OTHER FACILITIES						
ACT Clinic	2008					
Square Footage		3,100	3,100	3,100	3,100	3,100
Administration Building	2001					
Square Footage		81,000	81,000	81,000	81,000	81,000
Facilities & Planning/Warehouse	1955					
Square Footage		18,456	18,456	18,456	18,456	18,456
Grounds Maintenance Dept.						
Square Footage		5,670	5,670	5,670	5,670	5,670
FFA Agricultural Facility	2002					
Square Footage		28,880	28,880	28,880	28,880	28,880
South Annex	1944					
Square Footage		5,603	5,603	5,603	5,603	5,603
Maintenance Facility	1950					
Square Footage		22,154	22,154	22,154	22,154	22,154
Stadium/Natatorium	2002					
Square Footage		44,519	44,519	44,519	44,519	44,519
Transportation Department	2001					
Square Footage		17,700	17,700	17,700	17,700	17,700
Athletics Office	2002					
Square Footage		10,669	10,669	10,669	10,669	10,669
North Annex						
Square Footage		2,250	2,250	2,250	2,250	2,250
Sub-Total Sq Ft. Other Facilities		240,001	240,001	240,001	240,001	240,001
GRAND TOTAL		3,910,485	3,862,234	3,659,413	3,659,413	3,659,413

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 19
Page 10 of 10

Building:	Year Built	2015	2014	2013	2012	2011
OTHER CAMPUSES						
Becker Early Head Start	1978					
Square Footage		9,295	9,295	9,295	9,295	9,295
Capacity		64	64	64	64	64
Enrollment		64	64	64	64	64
PEP Center	2007					
Square Footage		9,651	9,651	9,651	9,651	9,651
Capacity		48	48	48	48	48
Enrollment		48	48	48	48	48
Childcare Center	2019					
Square Footage		-	-	-	-	-
Capacity		-	-	-	-	-
Enrollment		-	-	-	-	-
Sub-Total Sq Ft. Other Campuses		18,946	18,946	18,946	18,946	18,946
OTHER FACILITIES						
ACT Clinic	2008					
Square Footage		3,100	3,100	3,100	3,100	3,100
Administration Building	2001					
Square Footage		81,000	81,000	81,000	81,000	81,000
Facilities & Planning/Warehouse	1955					
Square Footage		18,456	18,456	18,456	18,456	17,006
Grounds Maintenance Dept.						
Square Footage		5,670	5,670	5,670	5,670	5,670
FFA Agricultural Facility	2002					
Square Footage		28,880	28,880	28,880	28,880	28,880
South Annex	1944					
Square Footage		5,603	5,603	5,603	5,603	5,603
Maintenance Facility	1950					
Square Footage		22,154	22,154	22,154	22,954	22,954
Stadium/Natorium	2002					
Square Footage		44,519	44,519	44,519	44,519	44,519
Transportation Department	2001					
Square Footage		17,700	17,700	17,700	17,700	17,700
Athletics Office	2002					
Square Footage		10,669	10,669	10,669	10,669	10,669
North Annex						
Square Footage		2,250	2,250	2,250	-	-
Sub-Total Sq Ft. Other Facilities		240,001	240,001	240,001	238,551	237,101
GRAND TOTAL		3,659,413	3,659,413	3,659,413	3,657,963	3,656,513



Galena Park
Independent School District