

**Comprehensive
Annual Financial Report**

**For the Fiscal Year Ended
August 31, 2017**

**GALENA PARK INDEPENDENT SCHOOL
DISTRICT**

14705 Woodforest Blvd., Houston, Texas 77015

Prepared By the Business Services Department:

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

**Julie Lee, CPA, RTSBA
Executive Director for Budget and Financial Support Services**

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	1	
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	58	G-1
Notes to Required Supplementary Information	59	G-2
Schedule of the District's Proportionate State of the Net Pension Liability	60	G-3
Schedule of District Contributions - Teacher Retirement System of Texas	61	G-4
Notes to Required Supplementary Information - Pensions	62	G-5
Other Supplementary Information:		
Combining Fund Statements:		
Non-major Governmental Funds:		
Combining Balance Sheet	68	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	74	H-2
Statement of Changes in Assets and Liabilities - Agency Funds	79	H-3
Schedule of Delinquent Taxes Receivable	80	J-1
Budgetary Comparison Schedule - Child Nutrition Fund	82	J-2
Budgetary Comparison Schedule - Debt Service Fund	83	J-3

GALENA PARK INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Table</u>
Statistical Section		
Net Position by Component	88	1
Changes in Net Position	90	2
Fund Balances of Governmental Funds	94	3
Changes in Fund Balances of Governmental Funds	96	4
Revenue by Source for Governmental Funds	98	5
Assessed Value and Actual Value of Taxable Property	100	6
Property Tax Rates - Direct and Overlapping	102	7
Principal Taxpayers	104	8
Property Tax Levies & Collections	105	9
Ratios of Outstanding Debt by Type	106	10
Ratios of Net General Obligation Bonded Debt Outstanding	107	11
Computation of Estimated Direct and Overlapping Debt	109	12
Legal Debt Margin Information	110	13
Demographic and Economic Statistics	112	14
Principal Employers	113	15
Full-Time Equivalent District Employees	114	16
Operating Statistics	116	17
Teacher Base Salaries	119	18
School Building Information	120	19

INTRODUCTORY SECTION

(This page intentionally left blank)

GALENA PARK INDEPENDENT SCHOOL DISTRICT
Principal Officials and Advisors

Board of Trustees

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Length of Service</u>	<u>Occupation</u>
Jeff Miller	President	2019	20 years	Independent Insurance Agent
Wanda Heath Johnson	Vice President	2018	12 years	Retired
Minnie Rivera	Secretary	2020	6 years	Retired
Joe Stephens	Board Member	2018	8 years	Insurance Agency Owner
Wilfred J. Broussard, Jr.	Board Member	2020	9 years	Real Estate Broker
Ramon Garza	Board Member	2019	7 years	Insurance Agent
Dawn Thompson Fisher	Board Member	2020	15 years	Legal Assistant

Administrative Officials

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Angi Williams, Ed.D.	Superintendent	32 years
Kenneth Wallace	Deputy Superintendent for Educational Support	17 years
Sonya George, CPA	Deputy Superintendent for Operational Support/Chief Financial Officer	6 years
Terri Moore	Assistant Superintendent for Communication Services	26 years
Elizabeth Lalor	Assistant Superintendent for Educational and Academic Support	26 years
Wanna Giacona	Assistant Superintendent for Human Resource Services	23 years
John Moore	Assistant Superintendent for Operations	26 years
Julie Lee, CPA, RTSBA	Executive Director for Budget and Financial Support Services	4 years

Consultants and Advisors

Bond Counsel	McCall, Parkhurst, and Horton, LLP, Dallas, 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, 2017, at a meeting of the Board of Trustees of such school district on January 9, 2018



President of the Board



Secretary of the Board



GALENA PARK INDEPENDENT SCHOOL DISTRICT

A Texas Recognized School District

14705 Woodforest Blvd.

Houston, TX 77015

832-386-1204

January 9, 2018

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, 2017.

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 of 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, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the District's financial statements for the period ended August 31, 2017, 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 33 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 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. The District educates children from diverse backgrounds. The student body reflects the cultural diversity of Texas. Of the approximately 22,700 students enrolled, 78% are Hispanic, 15% are African American, 5% are White, and 2% identify themselves as Asian/Pacific Islander, American Indian or of more than one ethnicity.

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 8,000 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 Port of Houston is a 25-mile-long complex 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 1,174,567 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 \$264.9 billion of economic activity in Texas each year. Additionally, more than \$5 billion in state and local tax revenues are generated by business activities related to the port.

Economic Outlook. Houston's energy, healthcare, transportation and distribution sectors have supported a continuous growth in our tax base. However, the depressed oil and gas prices, along with reduced drilling activities had caused the District's tax base to remain relatively stagnant for fiscal years 2016 and 2017. Recovery for the energy industry is underway, but it is a slow turn. On November 30th, OPEC, Russia and nine other non-OPEC countries agreed to extend crude productions cuts through the end of 2018. This extended agreement to keep the reduction in oil reserves should cause the oil and gas prices to continue to increase which will have a positive impact on our tax base. The increase in oil and gas prices, in conjunction with numerous petrochemical expansion projects in the Houston Ship Channel area should help our tax values to continue to recover.

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. Recognizing fund balance as key in maintaining a strong financial position, the Board policy regarding fund balance stipulates a goal of maintaining an adequate fund balance. The level of adequacy for the general fund unassigned fund balance is defined as 12% of the current budget, while the debt service fund is defined as 15% of the current year debt service requirements.

Financial Planning. The District is subject to revenue limitations as outlined in the Texas Education Code. The revenues are derived from a target revenue formula based primarily on student attendance, adjusted for funding “weights” associated with the students’ educational settings. Under the target revenue system, the District’s maintenance and operations revenues from property taxes and state aid are capped. As collections from property taxes increase, state aid is reduced by a similar amount. 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 2016-17 school year. Starting with our Fine Arts Department, in November 2016, our North Shore Senior High School Marching Band advanced to the University Interscholastic League (UIL) Class 6A State Marching Contest held in San Antonio, Texas. They played well and placed in the top 20 of all bands in the state. Many District administrators were there to cheer them on, and they did not disappoint.

The TEA has awarded the District an “A=Superior” rating for the fiscal year ended August 31, 2016. This is the 15th year of the State’s Financial Integrity Rating System of Texas (School FIRST). The rating is based upon an analysis of staff and student data reported for the 2015-16 school year and budgetary and actual financial data for the fiscal year ended August 31, 2016.

In February 2017, 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 third time. This award recognizes a district’s achievement in implementing best practices in the area of purchasing.

The District was also recognized by the Association of School Business Officials International (ASBO) as a second year recipient of the ASBO International’s *Pathway* to the Meritorious Budget Award (MBA) for the 2016-17 Budget document. The award recognizes excellence in school budget presentation.

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, 2016.

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 six consecutive years and the GFOA award for five 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 2017 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,

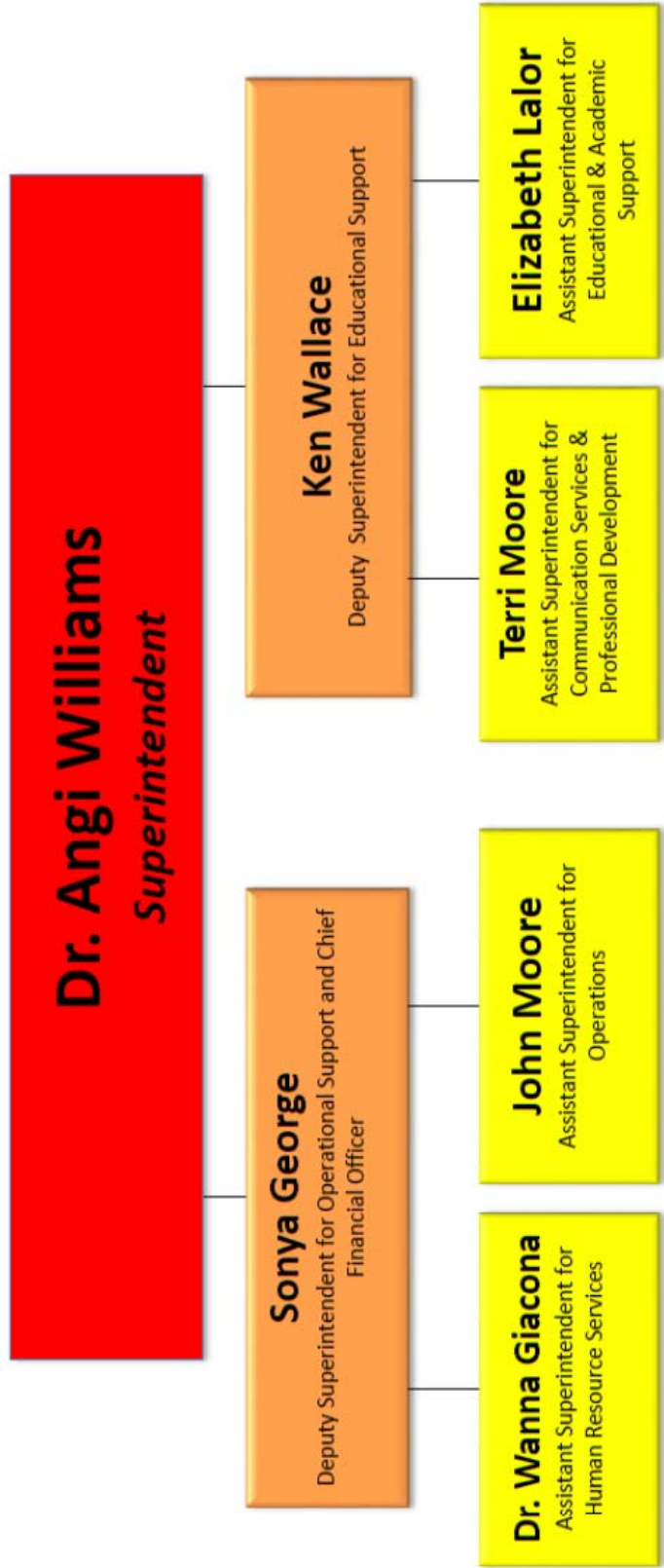
A handwritten signature in cursive script that reads "Angi Williams".

Angi Williams, Ed.D.
Superintendent of Schools

A handwritten signature in cursive script that reads "Sonya George".

Sonya George
Chief Financial Officer

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, 2016

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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, 2016.

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



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

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

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

John D. Musso, CAE
Executive Director

FINANCIAL SECTION

(This page intentionally left blank.)

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, 2017, 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 includes 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 financial statement presentation.

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 15 and the Budgetary Comparison Schedule and Pension Information on pages 58 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information (as described in the accompanying table of contents) are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information (as described in the accompanying table of contents) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the other supplementary information (as described in the accompanying table of contents) is 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 9, 2018, 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.

Whitley Penn LLP

Houston, Texas
January 9, 2018

(This page intentionally left blank.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(This page intentionally left blank.)

GALENA PARK INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Galena Park Independent School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2017.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$151,075,930 (net position). Of this amount, \$60,846,881 (unrestricted net position) may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position increased by \$9,033,436 in comparison with the prior year, including a prior period adjustment to decrease net position by \$382,554.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$225,189,956, an increase of \$74,758,192 in comparison with the prior year. The increase in governmental fund balances was primarily due to the increase in the capital projects fund balance of \$66,355,513 and in the debt service fund balance of \$891,335 related to the issuance of Unlimited Tax School Building and Refunding Bonds Series 2016 and due to an increase in the debt service tax rate from \$0.27010 to \$0.32000.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$87,793,932, or 43.4 percent of total general fund expenditures.
- The District's total bonded debt increased by \$77,665,982 or 45 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-four 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-one 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 can be found on pages 20 through 23 of 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. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses an internal service fund to account for its 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 can be found on pages 24 through 26 of this report.

Fiduciary Fund

The fiduciary funds are used to account for resources held for the benefit of students. The fiduciary fund is *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The Agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation. In addition, the District's private - purpose trust fund reports a trust arrangement under which principal and income benefit individuals.

The basic fiduciary fund financial statement can be found on pages 27 through 28 of 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 can be found on pages 29 through 56 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. In fiscal year 2015, the District implemented GASB Statements Nos. 68 and 71 which add required new schedules related to pensions. The required supplementary information can be found on pages 58 through 62 of this report.

Other Information

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information and can be found on pages 65 through 83 of 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 by \$151,075,930 at the close of the most recent fiscal year.

The District's investment in capital assets (e.g., capitalized bond and debt issuance costs, land, buildings and improvements, furniture and equipment, construction in progress); less any outstanding related debt used to acquire those assets totaled \$77,029,615. 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>2017</u>	<u>2016</u>
Current and other assets	\$ 258,476,123	\$ 170,032,690
Capital assets	256,937,466	240,114,984
Total Assets	<u>515,413,589</u>	<u>410,147,674</u>
Deferred loss on refunding	2,877,064	2,832,809
Deferred outflows - pension	30,795,588	22,678,027
Total Deferred Outflows of Resources	<u>33,672,652</u>	<u>25,510,836</u>
Current liabilities	23,945,289	10,990,806
Long term liabilities	364,775,502	278,959,222
Total Liabilities	<u>388,720,791</u>	<u>289,950,028</u>
Deferred inflows - pension	9,289,520	3,665,988
Total Deferred Inflows of Resources	<u>9,289,520</u>	<u>3,665,988</u>
Net Position:		
Net investment in capital assets	77,029,615	71,473,347
Restricted	13,199,434	11,671,948
Unrestricted	60,846,881	58,897,199
Total Net Position	<u>\$ 151,075,930</u>	<u>\$ 142,042,494</u>

Net position of \$13,199,434 is restricted for state, federal and local programs, and debt service. The remaining balance of *unrestricted net position* \$60,846,881 may be used to meet the District's ongoing obligations to students and creditors. The District's net position increased by \$9,033,436 during the current fiscal year, including a prior period adjustment to decrease net position by \$382,554, primarily due to an increase in property tax revenues, an increase in operating grants by approximately \$12 million, and an increase in interest earnings in comparison to the prior year.

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

Galena Park Independent School District's Changes in Net Position

	<u>2017</u>	<u>2016</u>
Program Revenues		
Charges for services	\$ 4,524,800	\$ 4,674,105
Operating grants	41,428,025	29,381,400
General Revenues		
Property taxes	127,044,616	121,304,611
State aid	94,400,991	102,779,386
Grants and contributions not restricted	-	23,999
Interest earnings	2,446,240	687,509
Other	201,980	294,298
Total Revenues	<u>270,046,652</u>	<u>259,145,308</u>
Expenses		
Instruction	134,569,316	119,286,904
Instructional resources and media services	2,817,371	2,753,916
Curriculum and instructional staff development	5,961,598	5,432,709
Instructional leadership	6,087,473	5,758,176
School leadership	14,360,951	13,720,730
Guidance, counseling, and evaluation services	7,940,012	7,635,301
Social work services	904,579	696,048
Health services	1,884,102	1,828,426
Student transportation	8,491,227	6,478,596
Food services	13,964,364	15,007,128
Extracurricular activities	5,100,028	5,424,069
General administration	8,507,836	7,914,425
Facilities maintenance and operations	24,949,307	27,253,373
Security and monitoring services	2,488,235	2,568,194
Data processing services	3,805,769	3,815,141
Community services	1,635,714	1,411,317
Interest on long-term debt	12,766,645	10,967,667
Bond issuance costs and fees	1,757,777	-
Other facility costs	1,700,855	2,170,865
Payments to appraisal districts	937,503	908,466
Total Expenses	<u>260,630,662</u>	<u>241,031,451</u>
Increase (decrease) in net position	9,415,990	18,113,857
Beginning Net Position	142,042,494	123,928,637
Prior period adjustment	(382,554)	-
Ending Net Position	<u>\$ 151,075,930</u>	<u>\$ 142,042,494</u>

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

Governmental Activities

Governmental activities increased the District's net position by \$9,033,436. Key elements of this increase are as follows:

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues totaling \$135,829,016 represent 50 percent of total revenues and property taxes of \$127,044,616 represent 47 percent of total revenues. The remaining \$7,173,020 is generated from charges for services, investment earnings, and miscellaneous revenues. Property tax revenues increased by approximately \$5.7 million due to higher appraised tax values and an increase of the debt service tax rate from \$0.27010 to \$0.32000. Operating grants increased by approximately \$12 million due to an increase in federal revenues.

The primary functional expense of the District is instruction, which at \$134,569,316 represents 52 percent of total expenses. Facilities maintenance and operations expenses of \$24,949,307 represent 10 percent of total expenses. Food services expenses of \$13,964,364 represent 5 percent of total expenses. Interest on long-term debt of \$12,766,645 represents 5 percent. The remaining individual functional categories of expenses are each less than 5 percent of total expenses.

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 \$225,189,956, an increase of \$74,758,192 in comparison with the prior year including a prior period adjustment to decrease fund balance by \$382,554. The increase in ending governmental fund balances is primarily due to increases in the capital projects fund.

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 \$87,793,932, while total fund balance reached \$145,800,878. 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 43.4 percent of total general fund expenditures, while total fund balance represents 72 percent of that same amount.

The increase in the general fund's fund balance of \$7,481,052 was primarily due to the increase in property taxes due to higher appraisal values and an increase in federal program revenues.

The debt service fund has a total fund balance of \$8,430,836, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year of \$891,335, including a prior period adjustment to decrease fund balance by \$382,554, was primarily due to the increase in property taxes due to higher appraisal tax values and an increase of the debt service tax rate from \$0.27010 to \$0.32000.

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

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 \$113,981, a decrease of \$6,721 compared to the prior year. The net change in fund's position is eliminated and allocated to the governmental expenses in the government-wide financial statements.

General Fund Budgetary Highlights

Actual expenditures were \$6.76 million below final budgeted amounts. The positive variance was primarily due to the positive variances in all expenditure accounts including instruction of \$2.09 million, facilities maintenance and operations of \$835 thousand, facilities acquisition and construction of \$498 thousand, and student transportation of \$496 thousand.

Resources available were \$2.18 million over the final budgeted amounts. This favorable variance was due to higher actual revenues than final budgets in local and state revenue categories of \$886 thousand and \$330 thousand, respectively. In addition, federal revenues were \$963 thousand more than final budgeted amounts. The review of the final amended budget versus actual for the general fund reflected a positive budget variance in the amount of \$9.02 million, thus eliminating the need to draw upon existing fund balances.

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2017, amounts to \$256,937,466 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment and vehicles. The total increase in the District's investment in capital assets for the current fiscal year was \$16,822,482. Changes in capital assets are shown below:

Galena Park Independent School District's Capital Assets

	Balance September 1, 2016	Additions	Retirements and Transfers	Balance August 31, 2017
Land	\$ 17,691,214	\$ 1,484,390	\$ -	\$ 19,175,604
Building and improvements	343,742,377	7,757,855	-	351,500,232
Furniture and equipment	26,304,248	1,005,941	(113,141)	27,197,048
Vehicles	11,609,999	2,900,571	(1,014,063)	13,496,507
Construction in progress	-	15,127,517	-	15,127,517
	<u>399,347,838</u>	<u>28,276,274</u>	<u>(1,127,204)</u>	<u>426,496,908</u>
Less accumulated depreciation for:				
Buildings and improvements	(139,003,047)	(8,107,530)	-	(147,110,577)
Furniture and equipment	(12,773,919)	(2,455,191)	108,546	(15,120,564)
Vehicle	(7,455,888)	(883,395)	1,010,982	(7,328,301)
	<u>(159,232,854)</u>	<u>(11,446,116)</u>	<u>1,119,528</u>	<u>(169,559,442)</u>
Governmental Capital Assets	<u>\$ 240,114,984</u>	<u>\$ 16,830,158</u>	<u>\$ (7,676)</u>	<u>\$ 256,937,466</u>

Additional information on the District's capital assets can be found in Note 4 on page 43 of the notes to the financial statements.

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

Long-term Liabilities

At the end of the current fiscal year, the District had \$249,140,428 in bonded debt outstanding, an increase of \$77,665,982 over the previous year due to the issuance of Unlimited Tax School Building and Refunding Bonds Series 2016 and of Unlimited Tax Refunding Bonds Series 2017. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "AAA", from Moody's Investors Service is "Aa2" and "AA+" by Fitch Ratings, Inc. for general obligation debt.

Changes to long-term debt, for the year ended August 31, 2017 are as follows:

Galena Park Independent School District's Long-term Liabilities

	Balance September 1, 2016	Additions	Retirements	Balance August 31, 2017
General obligation bonds	\$ 165,657,534	\$ 128,315,000	\$ (60,577,501)	\$ 233,395,033
Plus amounts for issuance premiums	4,437,079	11,141,318	(867,876)	14,710,521
Qualified zone academy bonds	1,379,833	-	(344,959)	1,034,874
Accreted interest on premium compound interest bonds	56,791,061	5,166,663	(3,737,499)	58,220,225
Accrued compensated absences	1,300,030	251,107	(204,966)	1,346,171
	<u>\$ 229,565,537</u>	<u>\$ 144,874,088</u>	<u>\$ (65,732,801)</u>	<u>\$ 308,706,824</u>

Additional information on the District's long-term liabilities can be found in Note 6 on pages 43 through 45 of the notes to the financial statements.

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 2017-18 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 2017-18.

- The tax rate for 2017-18 is \$1.5633 with \$1.2433 applicable to maintenance and operations and \$0.3200 for debt service.
- Taxable values used for the 2017-18 adopted budget are expected to decrease by approximately .5% below 2016-17 levels. The budgeted property tax revenues were based on a taxable value of \$8.2 billion with a 97.5% collection rate.
- The district's 2017-18 average daily attendance increased slightly from 2016-17 to 21,185.

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 .5999 cents for a total rate of \$1.2433. Both of the successful elections and resulting tax rate increases generate additional property tax revenue and maximize the amount of state aid the district can receive utilizing the current state funding formulas. The additional funds generated from these elections continue to help the district in meeting ongoing financial needs.

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

State Funding for the 2017-18 fiscal year increased slightly, however it was offset by the reduction in property values resulting in a small increase in revenues available for appropriation for the current budget year. Amounts available for appropriation in the general fund are \$207.7 million, an increase of \$2.9 million from the previous year. Expenditures are budgeted to increase 3.8% to \$212.5 million. The majority of the increase in budgeted expenditures was to fund payroll cost associated with new positions needed to support increasing special populations of students and to fund a 3% of midpoint general pay increase for teachers and all other staff. A deficit budget was adopted for 2017-18. If these budgetary estimates are realized, the District's General Fund balance will decrease \$4.8 million by August 31, 2018.

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.

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

August 31, 2017

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 240,757,559
1225	Property taxes receivables, net	9,700,270
1240	Due from other governments	6,893,937
1250	Accrued interest	9,500
1290	Other receivables, net	457,695
1300	Inventories	656,662
1490	Other current assets	500
	Capital assets not subject to depreciation:	
1510	Land	19,175,604
1580	Construction in progress	15,127,517
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	204,389,655
1530	Furniture and equipment, net	12,076,484
1531	Vehicles, net	6,168,206
1000	Total Assets	515,413,589
	Deferred Outflows of Resources	
1700	Deferred loss on refunding	2,877,064
1705	Deferred outflows - pension	30,795,588
	Total Deferred Outflows of Resources	33,672,652
	Liabilities	
2110	Accounts payable	14,542,643
2140	Interest payable	473,373
2150	Payroll deductions and withholdings	2,440,324
2160	Accrued wages payable	6,366,467
2300	Unearned revenue	122,482
	Noncurrent Liabilities:	
2501	Due within one year	16,689,978
2502	Due in more than one year	292,016,846
2540	Net pension liability	56,068,678
2000	Total Liabilities	388,720,791
	Deferred Inflows of Resources	
2605	Deferred inflows - pension	9,289,520
	Total Deferred Inflows of Resources	9,289,520
	Net Position	
3200	Net investment in capital assets	77,029,615
	Restricted for:	
3820	Federal and state programs	3,577,122
3850	Debt service	9,622,312
3900	Unrestricted	60,846,881
3000	Total Net Position	\$ 151,075,930

See Notes to the Financial Statements

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2017

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 Governmental Activities
Governmental activities:					
11	Instruction	\$ 134,569,316	\$ 673,736	\$ 17,426,218	\$ (116,469,362)
12	Instructional resources and media services	2,817,371	25,274	156,005	(2,636,092)
13	Curriculum and instructional staff development	5,961,598	5,375	3,257,540	(2,698,683)
21	Instructional leadership	6,087,473	16,126	917,344	(5,154,003)
23	School leadership	14,360,951	147,074	840,889	(13,372,988)
31	Guidance, counseling, and evaluation services	7,940,012	16,126	835,211	(7,088,675)
32	Social work services	904,579	-	217,649	(686,930)
33	Health services	1,884,102	5,375	2,453,367	574,640
34	Student transportation	8,491,227	26,877	697,247	(7,767,103)
35	Food services	13,964,364	2,147,598	11,808,101	(8,665)
36	Extracurricular activities	5,100,028	1,237,846	160,424	(3,701,758)
41	General administration	8,507,836	21,501	424,554	(8,061,781)
51	Facilities maintenance and operations	24,949,307	180,392	1,281,446	(23,487,469)
52	Security and monitoring services	2,488,235	5,375	29,024	(2,453,836)
53	Data processing services	3,805,769	10,750	127,449	(3,667,570)
61	Community services	1,635,714	-	783,244	(852,470)
72	Interest on long-term debt	12,766,645	-	-	(12,766,645)
73	Bond issuance costs and fees	1,757,777	-	-	(1,757,777)
81	Other Facility Costs	1,700,855	5,375	12,313	(1,683,167)
99	Payments to Appraisal District	937,503	-	-	(937,503)
TG	Total governmental activities	\$ 260,630,662	\$ 4,524,800	\$ 41,428,025	\$ (214,677,837)

Data Control Codes

General revenues:

Taxes:		
MT	Property taxes, levied for general purposes	\$ 101,040,592
DT	Property taxes, levied for debt service	26,004,024
SF	State-aid formula grants	94,400,991
IE	Investment earnings	2,446,240
MI	Miscellaneous	201,980
TR	Total general revenues	224,093,827
CN	Change in net position	9,415,990
NB	Net position - beginning	142,042,494
PA	Prior period adjustments	(382,554)
NE	Net position - ending	\$ 151,075,930

See Notes to the Financial Statements

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2017

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
1110 Cash and temporary investments	\$ 149,512,524	\$ 8,424,949	\$ 76,809,837	\$ 5,888,891	\$ 240,636,201
Receivables:					
1220 Delinquent property taxes receivables	9,394,399	1,909,448	-	-	11,303,847
1230 Allowance for uncollectible taxes (credit)	(1,358,978)	(244,599)	-	-	(1,603,577)
1240 Receivables from other governments	5,261,809	-	-	1,632,128	6,893,937
1250 Accrued interest	9,500	-	-	-	9,500
1260 Due from other funds	2,292,135	5,887	-	-	2,298,022
1290 Other receivables	422,702	3,500	-	30,943	457,145
1300 Inventories, at cost	306,603	-	-	350,059	656,662
1490 Other current assets	500	-	-	-	500
1000 Total Assets	\$ 165,841,194	\$ 10,099,185	\$ 76,809,837	\$ 7,902,021	\$ 260,652,237
Liabilities and Fund Balance					
Liabilities:					
2110 Accounts payable	\$ 3,507,353	\$ -	\$ 10,427,489	\$ 605,893	\$ 14,540,735
2150 Payroll deductions and withholdings	2,440,324	-	-	-	2,440,324
2160 Accrued wages payable	6,043,493	-	10,420	310,733	6,364,646
2170 Due to other funds	5,887	3,500	16,415	2,268,022	2,293,824
2300 Unearned revenue	7,838	-	-	114,644	122,482
2000 Total Liabilities	12,004,895	3,500	10,454,324	3,299,292	25,762,011
Deferred Inflows of Resources					
2600 Unavailable revenue - property taxes	8,035,421	1,664,849	-	-	9,700,270
Total Deferred Inflows of Resources	8,035,421	1,664,849	-	-	9,700,270
Fund Balance:					
Nonspendable:					
3410 Inventories	306,603	-	-	-	306,603
Restricted					
3450 Grants	-	-	-	3,577,122	3,577,122
3470 Capital acquisition program	-	-	66,355,513	-	66,355,513
3480 Debt service	-	8,430,836	-	-	8,430,836
Committed					
3545 Campus activity	-	-	-	1,025,607	1,025,607
3590 Assigned	57,700,343	-	-	-	57,700,343
3600 Unassigned	87,793,932	-	-	-	87,793,932
3000 Total Fund Balances	145,800,878	8,430,836	66,355,513	4,602,729	225,189,956
4000 Total Liabilities and Fund Balance	\$ 165,841,194	\$ 10,099,185	\$ 76,809,837	\$ 7,902,021	\$ 260,652,237

See Notes to the Financial Statements.

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

Exhibit C-2

August 31, 2017

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 225,189,956
	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	256,937,466
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).	9,700,270
3	Deferred loss on refunding	2,877,064
4	Deferred inflows and outflows related to pension liability	21,506,068
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
5	General obligation bonds	(234,429,907)
6	Premiums on issuance	(14,710,521)
7	Accreted interest on premium compound interest bonds	(58,220,225)
8	Accrued compensated absences	(1,346,171)
9	Accrued interest payable	(473,373)
10	Net pension liability	(56,068,678)
11	Addition of Internal Service fund net position	<u>113,981</u>
19	Total net position - governmental activities	<u>\$ 151,075,930</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2017

Exhibit C-3

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
5700	Local, intermediate, and out-of-state	\$ 102,963,022	\$ 25,987,015	\$ 721,603	\$ 3,665,990	\$ 133,337,630
5800	State program revenues	103,124,625	293,518	-	3,616,939	107,035,082
5900	Federal program revenues	3,712,784	-	-	23,460,967	27,173,751
5020	Total revenues	<u>209,800,431</u>	<u>26,280,533</u>	<u>721,603</u>	<u>30,743,896</u>	<u>267,546,463</u>
Expenditures						
Current:						
0011	Instruction	113,171,760	-	-	10,534,259	123,706,019
0012	Instructional resources and media services	2,425,513	-	-	38,564	2,464,077
0013	Curriculum and instructional staff development	2,688,329	-	-	3,038,087	5,726,416
0021	Instructional leadership	5,305,626	-	-	598,112	5,903,738
0023	School leadership	13,755,434	-	-	208,763	13,964,197
0031	Guidance, counseling and evaluation services	6,925,027	-	-	397,783	7,322,810
0032	Social work services	693,915	-	-	190,016	883,931
0033	Health services	1,660,071	-	-	164,608	1,824,679
0034	Student transportation	9,599,197	-	-	288,038	9,887,235
0035	Food services	4,338	-	-	13,246,464	13,250,802
0036	Extracurricular activities	4,062,026	-	-	1,035,544	5,097,570
0041	General administration	8,280,820	-	-	2,699	8,283,519
0051	Facilities maintenance and operations	23,784,356	-	-	259,913	24,044,269
0052	Security and monitoring services	2,480,503	-	-	350	2,480,853
0053	Data processing services	3,530,105	-	-	300	3,530,405
0061	Community services	865,132	-	-	720,239	1,585,371
Debt service:						
0071	Principal on long-term debt	344,959	47,872,501	-	-	48,217,460
0072	Interest on long-term debt	10,400	11,621,063	-	-	11,631,463
0073	Bond issuance costs and fees	2,310	503,126	1,252,341	-	1,757,777
Capital outlay:						
0081	Facilities acquisition and construction expenditures	1,878,867	-	24,366,090	-	26,244,957
Intergovernmental:						
0099	Payments to appraisal district	937,503	-	-	-	937,503
6030	Total Expenditures	<u>202,406,191</u>	<u>59,996,690</u>	<u>25,618,431</u>	<u>30,723,739</u>	<u>318,745,051</u>
1100	Excess (deficiency) of revenues over expenditures	7,394,240	(33,716,157)	(24,896,828)	20,157	(51,198,588)
Other Financing Sources (Uses)						
7911	Refunding bonds issued	-	41,000,000	-	-	41,000,000
7911	Capital-related debt issued (regular bonds)	-	-	87,315,000	-	87,315,000
7912	Sale of real or personal property	86,812	-	-	10,135	96,947
7916	Premium on issuance of bonds	-	7,203,977	3,937,341	-	11,141,318
8940	Payment to bond refunding escrow agent	-	(13,213,931)	-	-	(13,213,931)
7080	Total other financing sources and uses	<u>86,812</u>	<u>34,990,046</u>	<u>91,252,341</u>	<u>10,135</u>	<u>126,339,334</u>
1200	Net change in fund balances	7,481,052	1,273,889	66,355,513	30,292	75,140,746
0100	Fund Balance - beginning	<u>138,319,826</u>	<u>7,539,501</u>	<u>-</u>	<u>4,572,437</u>	<u>150,431,764</u>
1300	Prior period adjustment	-	(382,554)	-	-	(382,554)
3000	Fund Balance - ending	<u>\$ 145,800,878</u>	<u>\$ 8,430,836</u>	<u>\$ 66,355,513</u>	<u>\$ 4,602,729</u>	<u>\$ 225,189,956</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

**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, 2017

Data Control Codes		
	Net change in fund balances - total governmental funds (from C-3)	\$ 75,140,746
	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.	
1	Governmental funds capital outlay	28,276,274
2	Governmental activities depreciation expense	(11,446,116)
3	Governmental funds report the entire sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus the change in net position differs from the change in fund balance by the book value of the assets sold and disposed. The District disposed of certain assets that resulted in a loss.	(7,676)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	846,697
5	Pension contributions and contribution adjustments 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.	5,016,762
6	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	14,407,460
7	Repayment for current refunding bond	33,810,000
	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	(87,315,000)
9	Proceeds from issuance of bonds	(41,000,000)
10	Premium on issuance of bonds	(11,141,318)
11	Payments to refunding escrow agent	13,213,931
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
12	Increase in interest payable not recognized in fund statements	(109,218)
13	Increase in long-term portion of accrued compensated absences	(46,141)
14	Accreted interest on capital appreciation bonds	(5,166,663)
15	Amortization of premiums and of deferred loss on refunding	403,200
16	Capital appreciation bonds matured and related accreted interest	3,737,499
17	Pension expense for the pension plan measurement year	(9,197,726)
18	Internal service funds are used by management to charge the costs of certain activities, such as Copy Center, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds. (see D-2)	(6,721)
	Change in net position of governmental activities (see B-1)	<u>\$ 9,415,990</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2017

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	\$ 121,358
	Receivables:	
1290	Other receivables	550
	Total Current Assets	<u>121,908</u>
1000	Total Assets	<u>121,908</u>
	Liabilities	
	Current Liabilities:	
2110	Accounts payable	1,908
2160	Accrued wages payable	1,821
2170	Due to other funds	4,198
	Total Current Liabilities	<u>7,927</u>
2000	Total Liabilities	<u>7,927</u>
	Net Position	
3800	Unrestricted net position	<u>\$ 113,981</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION PROPRIETARY FUNDS
For the Year Ended August 31, 2017

Exhibit D-2

<u>Data Control Codes</u>	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Operating Revenues	
5749 Miscellaneous revenue from local sources	\$ 249,935
5020 Total Operating Revenues	<u>249,935</u>
Operating Expenses	
6100 Payroll costs	70,314
6200 Purchased and contracted services	144,532
6300 Supplies and materials	41,387
6400 Other operating expenses	423
6030 Total Operating Expenses	<u>256,656</u>
1200 Operating Income (Loss)	<u>(6,721)</u>
Net Position:	
0100 Net Position - September 1 (Beginning)	<u>120,702</u>
3300 Net Position - August 31 (Ending)	<u>\$ 113,981</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT*Exhibit D-3***STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS***Year Ended August 31, 2017*

	Governmental Activities
	Internal Service Fund
	Fund
Cash Flows from Operating Activities:	
Cash received from customers	\$ 249,385
Cash payments to suppliers for goods and services	(180,306)
Cash payments to employees	(70,314)
Net Cash Used for Operating Activities	<u>(1,235)</u>
Net Decrease in Cash and Cash Equivalents	(1,235)
Cash and Cash Equivalents at Beginning of Year	122,593
Cash and Cash Equivalents at End of Year	<u>\$ 121,358</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (6,721)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Change in Assets and Liabilities:	
Decrease (increase) in Receivables	(550)
Increase (decrease) in Accounts Payable	1,838
Increase (decrease) in Interfund Payables	4,198
Net Cash Used for Operating Activities	<u>\$ (1,235)</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2017

<u>Data Control Codes</u>		<u>Private Purpose Trust Fund</u>	<u>Student Activity Fund</u>
	Assets		
1110	Cash and cash equivalents	\$ 75,663	\$ 287,887
1000	Total Assets	<u>75,663</u>	<u>\$ 287,887</u>
	Liabilities		
2110	Accounts payable	4,891	\$ 20,515
2170	Due to other governments	-	410
2190	Due to student groups	-	266,962
2000	Total Liabilities	<u>4,891</u>	<u>\$ 287,887</u>
	Net Postion		
3590	Held In Trust for Other Purposes	<u>\$ 70,772</u>	

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended August 31, 2017

Exhibit E-2

	<u>Private Purpose Trust Fund</u>
Additions	
Gifts and contributions	\$ 9,764
Earnings on investments	19
Total Additions	<u>9,783</u>
Deductions	
Scholarships awarded	<u>13,810</u>
Total deductions	<u>13,810</u>
Change in net position	(4,027)
Net position, beginning of year	<u>74,799</u>
Net position, end of year	<u><u>\$ 70,772</u></u>

See Notes to the Financial Statements.

Note 1 - Summary of Significant Accounting Policies

The Galena Park Independent School District (the “District”) is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven member Board of Trustees elected by the District’s residents.

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 identified in *Statement of Auditing Standards No. 69* of 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*.

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements (continued)

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.

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.

The District's fiduciary funds include both agency funds and private-purpose trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds use the *accrual basis of accounting* to recognize receivables and payables. Private-purpose trust funds employ the same *economic resources measurement focus* and *accrual basis of accounting* as do proprietary funds.

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.

Grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

- 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.

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 *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 for print shop 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)

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 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, which approximates fair value, 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.

The tax rates applicable to the maintenance and operation and debt service for fiscal year 2017 were \$1.24330 and \$0.32000, respectively, based on a taxable value of \$8,161,446,159. 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 non-spendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Note 1 - Summary of Significant Accounting Policies (continued)

Inventories and Prepaid Items (continued)

Beginning in 2014, the District no longer uses the consumption method as it relates to prepaid items. The District has opted to use the purchase method and in accordance with GAAP, prepaid items are not required to be recorded on the District's balance sheet.

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

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

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

The District’s long-term obligations consist of bond indebtedness and compensated absences. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the year of issuance.

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

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 two items that qualify for reporting in this category:

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

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 two items that qualify for reporting in this category:

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

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, inventory has 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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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. As of August 31, 2017, assigned fund balance is as follows:

	<u>General Fund</u>
Average Daily Attendance Adjustment	\$ 49,302
Board Room Renovations	500,000
Campus Budget Carryover	84,864
Campus Match for Fixed Asset Replacements	266,160
Capital and Lifecycle Expenditures	2,500,000
Contingency - Unanticipated Deficits or Revenue	
Reductions for Adverse Economic Conditions	31,874,520
Contingent Liability - Internal Revenue Service (IRS)	116,000
Cost associated with new construction	750,000
District Personnel Growth	797,950
Fine Arts Enhancements	300,000
Hurricane Harvey Repairs	25,000
Insurance Deductibles	4,590,603
Legal Fees Contingency	100,000
Master Teacher Program	2,500,000
Mid Year Hires	800,000
Outstanding Encumbrances	423,349
Potential Land Acquisition/Renovations	10,000,000
Technology Initiatives	<u>1,522,595</u>
Total Assigned Fund Balance	<u><u>\$ 57,700,343</u></u>

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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 insure accuracy in building a statewide database for policy development and funding plans.

Use of Estimates

The presentation of financial statements, in conformity with GAAP, 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.

Implementation of New Standards

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

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

GASB Statement No. 77, *Tax Abatement Disclosures*, applies to financial reports of all state and local governmental entities, addresses the reduction of tax revenues resulting from an agreement between a government and an individual in which the government forgoes tax revenues and the individual promises to take specific action as a result of the agreement that contributes to the economic development to benefit the government or citizens of the government, and relates to agreements entered into by the reporting government or agreements entered into by other governments that reduce the reporting government's tax revenues. In fiscal year 2017, the District did not have any tax abatement agreements that require disclosures.

Note 2 - Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the TEA and shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's cash deposits as of August 31, 2017 of \$7,172,834 were properly insured and collateralized with securities held by the District's agent in the District's name.

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 fiscal year 2017, the District invested in the Local Government Investment Cooperative (LOGIC), Lone Star Investment Pool, Texas CLASS Investment Pool, and State of Texas TexPool.

Local Government Investment Cooperative ("LOGIC" or the "Cooperative") was organized in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Participation in the Cooperative is limited to those eligible Government Entities which have become parties to the Participation Agreement. The Cooperative's governing body is a six-member Board of Directors (the "Board") comprised of employees, officers or elected officials of participant Government Entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Cooperative. The Board has entered into a contract with First Southwest Asset Management, Inc. and JPMorgan Asset Management, Inc. to provide administrative, investment management fund accounting, transfer agency, participant and marketing services for the Cooperative. In compliance with the Public Funds Investment Act, all portfolios will maintain a "AAA" or equivalent rating from at least one nationally recognized rating agency. LOGIC has been assigned a rating of "AAA" by Standard & Poor's. The District's fair value in LOGIC is the same as the value of the pool shares.

The First Public (Lone Star Investment Pool) is a public funds investment pool established in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 225, Texas Government Code. First Public is governed by trustees comprised of active participants in First Public. The Board of Trustees for First Public has the responsibility for adopting and monitoring compliance with the investment policy, of appointing investment officers, of overseeing the selection of an investment advisor, custodian, investment consultant, administrator and other service providers. Lone Star Investment Pool is marked-to market daily to maintain an accurate net asset value. The District's fair value in Lone Star Investment Pool is the same as the value of the pool shares. First Public is rated "AAA" by Standard & Poor's.

Note 2 - Deposits and Investments (continued)

Investments (continued)

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

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

Note 2 - Deposits and Investments (continued)

Investments (continued)

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 year-end, the District's cash and investments balances and the weighted average maturity of these investments were as follows:

	<u>Fair Value/ Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
Governmental Activities		
Cash and deposits	\$ 4,046,054	N/A
Investments		
Local Government Investment Pools		
LOGIC	75,860,547	40
Lone Star	85,176,163	25
Texas CLASS	65,430,828	47
TexPool	<u>243,967</u>	34
Total Local Government Investment Pools	<u>226,711,505</u>	
Investment securities		
Federal Agricultural Mortgage Corporation	<u>10,000,000</u>	145
Total Investment Securities	<u>10,000,000</u>	
Total Investments	<u>236,711,505</u>	<u>41</u>
Total Governmental Activities	<u>240,757,559</u>	
Fiduciary Funds		
Cash and deposits	<u>363,550</u>	N/A
Total Fiduciary Funds	<u>363,550</u>	
Total Cash and Investments	<u>\$ 241,121,109</u>	

Note 2 - Deposits and Investments (continued)

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 360 days, with the exception of bond proceeds that are matched to a specific cash flow; diversification; and by holding securities to maturity. In addition, the District shall not directly invest in an individual security maturing more than twenty-four months from the date of purchase.

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, 2017, the District’s investments in TexPool and Texas CLASS were rated “AAAm” by Standard and Poor’s. The District’s investments in Lone Star Corporate Overnight Plus Fund and LOGIC were rated “AAA” by Standard and Poor’s. The District’s investment securities in Federal Agricultural Mortgage Corporation were rated “AA+”.

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.

Note 3 – Receivables, Unavailable Revenues and Unearned Revenues

Receivables as of year-end for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Property Taxes	\$ 9,394,399	\$ 1,909,448	\$ -	\$ -	\$ 11,303,847
Due from other governments	5,261,809	-	1,632,128	-	6,893,937
Accrued interest	9,500	-	-	-	9,500
Other receivables	422,702	3,500	30,943	550	457,695
Gross Receivables	15,088,410	1,912,948	1,663,071	550	18,664,979
Less allowance for doubtful accounts	(1,358,978)	(244,599)	-	-	(1,603,577)
Net Total Receivables	\$ 13,729,432	\$ 1,668,349	\$ 1,663,071	\$ 550	\$ 17,061,402

This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item at the fund financial statement level, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition, the District records unearned revenue for grant funds received in advance but not have been earned.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Exhibit F-1

Note 3 – Receivables, Unavailable Revenues and Unearned Revenues (continued)

At the end of the current fiscal year, the District’s deferred inflows related to unavailable property taxes and unearned revenues reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 8,035,421	\$ -
Delinquent property taxes receivable (Debt Service Fund)	1,664,849	-
Grant funds received prior to meeting all eligibility requirements	-	122,482
	<u>\$ 9,700,270</u>	<u>\$ 122,482</u>

Note 4 - Capital Assets

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

	<u>Balance</u> <u>September 1, 2016</u>	<u>Additions</u>	<u>(Retirements)</u> <u>and Transfers</u>	<u>Balance</u> <u>August 31, 2017</u>
Capital assets, not being depreciated				
Land	\$ 17,691,214	\$ 1,484,390	\$ -	\$ 19,175,604
Construction in progress	-	15,127,517	-	15,127,517
Total Capital Assets, not being depreciated	<u>17,691,214</u>	<u>16,611,907</u>	<u>-</u>	<u>34,303,121</u>
Capital assets, being depreciated				
Buildings and improvements	343,742,377	7,757,855	-	351,500,232
Furniture and equipment	26,304,248	1,005,941	(113,141)	27,197,048
Vehicles	11,609,999	2,900,571	(1,014,063)	13,496,507
Total Capital Assets, being depreciated	<u>381,656,624</u>	<u>11,664,367</u>	<u>(1,127,204)</u>	<u>392,193,787</u>
Less accumulated depreciation for:				
Buildings and improvements	(139,003,047)	(8,107,530)	-	(147,110,577)
Furniture and Equipment	(12,773,919)	(2,455,191)	108,546	(15,120,564)
Vehicles	(7,455,888)	(883,395)	1,010,982	(7,328,301)
Total Accumulated Depreciation	<u>(159,232,854)</u>	<u>(11,446,116)</u>	<u>1,119,528</u>	<u>(169,559,442)</u>
Governmental Capital Assets	<u>\$ 240,114,984</u>	<u>\$ 16,830,158</u>	<u>\$ (7,676)</u>	<u>\$ 256,937,466</u>

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

<u>Function</u>	<u>Depreciation</u> <u>Expense</u>
11 Instruction	\$ 7,324,787
12 Instructional resources and media services	285,532
21 Instructional leadership	4,399
23 School leadership	8,794
31 Guidance, counseling and evaluation services	373,585
32 Social work services	16,528
34 Student transportation	737,965
35 Food Services	914,755
36 Extracurricular activities	92,360
41 General administration	24,295
51 Facilities maintenance and operations	1,137,816
52 Security and monitoring services	48,914
53 Data processing services	476,386
	<u>\$ 11,446,116</u>

Note 4 - Capital Assets (continued)

The District has active construction projects as of August 31, 2017. As of the end of the current fiscal year, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Approved Construction Budget</u>	<u>Construction in Progress</u>	<u>Remaining Commitment</u>
Cloverleaf Elementary - Replacement	\$ 27,620,703	\$ 98,622	\$ 27,522,081
Galena Park Elementary - Replacement	23,789,052	4,843,120	18,945,932
Galena Park High School - Additions/Renovations	21,538,717	103,572	21,435,145
Jacinto City Elementary - Replacement	27,620,703	58,330	27,562,373
North Shore Elementary - Replacement	30,201,494	3,770,326	26,431,168
North Shore Senior High 10th Grade Center - Addition	30,612,235	4,092,255	26,519,980
Pyburn Elementary - Replacement	23,201,092	50,112	23,150,980
Woodland Acres Elementary - Replacement	20,309,667	2,111,180	18,198,487
	<u>\$ 204,893,663</u>	<u>\$ 15,127,517</u>	<u>\$ 189,766,146</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. Activity between the debt service fund and the capital projects fund results primarily from the capital projects fund interest earnings that are used for debt service payments. Additionally, some lending/borrowing may occur between the general fund, child nutrition fund and two or more non-major governmental funds.

The composition of interfund balances as of August 31, 2017, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,292,135	\$ 5,887
Debt Service Fund	5,887	3,500
Capital Projects Fund	-	16,415
Nonmajor Governmental Funds	-	2,268,022
Internal Service Fund	-	4,198
	<u>\$ 2,298,022</u>	<u>\$ 2,298,022</u>

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The District did not have any interfund transfers for the year ended August 31, 2017.

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

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

	Balance September 1, 2016	Issued and Additions	Retired and Refunded	Balance August 31, 2017	Due Within One Year
Bonds Payable					
General Obligation Bonds	\$ 165,657,533	\$ 128,315,000	\$ (60,577,501)	\$ 233,395,032	\$ 12,389,523
Plus: Premiums and discount on issuance of Bonds	4,437,079	11,141,318	(867,876)	14,710,521	-
Qualified Zone Academy Bonds	1,379,834	-	(344,959)	1,034,875	344,959
Total Bonds Payable	<u>171,474,446</u>	<u>139,456,318</u>	<u>(61,790,336)</u>	<u>249,140,428</u>	<u>12,734,482</u>
Accretion on Compound Interest Bonds	56,791,061	5,166,663	(3,737,499)	58,220,225	3,695,477
Compensated Absences	1,300,030	251,107	(204,966)	1,346,171	260,019
	<u>\$ 229,565,537</u>	<u>\$ 144,874,088</u>	<u>\$ (65,732,801)</u>	<u>\$ 308,706,824</u>	<u>\$ 16,689,978</u>

The District issues general obligation bonds to provide funds for the construction and equipment of school facilities, buses, and to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

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

Bond Series	Issue Amount	Interest Rate (%)	Matures	Amount Outstanding
1996 Unlimited Tax School Bldg & Refunding Bonds	\$ 40,054,475	4.40-6.425	2031	\$ 9,493,594
2002 Unlimited Tax School Bldg & Refunding Bonds	29,496,438	3.00-5.00	2032	16,626,438
2003 Maintenance Tax Note ("QZAB")	8,000,000	0.13	2019	1,034,875
2008 Unlimited Tax School Building Bonds	18,000,000	4.50-5.25	2034	15,960,000
2010 Unlimited Tax School Building Bonds	17,000,000	4.00-5.00	2034	16,260,000
2011 Unlimited Tax School Building Bonds	9,250,000	2.00-4.00	2026	8,425,000
2012 Unlimited Tax Refunding Bonds	9,234,299	2.50-3.25	2032	7,465,000
2013 Unlimited Tax Refunding Bonds	9,440,000	3.00-3.75	2032	3,650,000
2013 Unlimited Tax Refunding Taxable Bonds	28,550,000	4.00-4.50	2021	15,675,000
2014 Unlimited Tax Refunding Bonds	8,970,000	2.00-3.25	2033	8,390,000
2015 Unlimited Tax Refunding Bonds	9,505,000	2.00-4.00	2026	6,980,000
2016 Unlimited Tax School Bldg & Refunding Bonds	98,595,000	2.00-5.00	2041	95,030,000
2017 Unlimited Tax Refunding Bonds	29,720,000	2.00-5.00	2033	29,440,000
				<u>234,429,907</u>
				Plus: Unamortized Premiums on Issuance
				<u>14,710,521</u>
				249,140,428
				Less: Current Portion
				<u>(12,734,482)</u>
				<u>\$ 236,405,946</u>

On October 15, 2016, the District issued \$98,595,000 Unlimited Tax School Building and Refunding Bonds, Series 2016 to refund outstanding bonds prior to their scheduled maturities; the refunded bonds in the amount of \$12,705,000 are treated as an advance refunding. The District deposited directly with the paying agent into an escrow fund in the amount of approximately \$13,213,931, recorded as other financing uses, sufficient to provide the payment, redemption, or defeasance of all or a portion of the defeased bonds. Defeased bonds were called on August 15, 2017, as such none of the defeased bonds remain outstanding as of August 31, 2017.

Note 6 - Long-term Liabilities (continued)

Change in Long-term Liabilities (continued)

Premiums on the Bonds Series 2016 totaled \$6,042,571, and interest rates ranged from 2 percent to 5 percent. The District paid a total of \$1,423,640 in issuance costs. The reacquisition price exceeded the net carrying amount of the old debt by \$539,395; this amount is being netted against and amortized over the shorter of the life of the new or old debt. The proceeds from the sale of the Bonds of \$87,315,000 will be used to (i) acquire, construct, renovate and equip school buildings in the District and the purchase of land for school sites, (ii) refund a portion of the District's outstanding bonds for debt service savings, and (iii) pay the costs of issuing the Bonds. The transaction resulted in an economic gain of \$2,023,973.

On May 18, 2017, the District issued \$29,720,000 Unlimited Tax Building and Refunding Bonds, Series 2017 to refund outstanding bonds prior to their scheduled maturities; the refunded bonds in the amount of \$33,810,000 are treated as a current refunding. The District deposited directly with the paying agent into an escrow fund in the amount of approximately \$34,493,920, sufficient to provide the payment, redemption, or defeasance of all or a portion of the defeased bonds and such deposit shall continue the making of firm banking and financial arrangements for the discharge and final payment or redemption of the defeased bonds. Defeased bonds were called on August 15, 2017, as such none of the defeased bonds remain outstanding as of August 31, 2017. The escrow proceeds of \$34,493,920 were recorded as debt service expenditures and not other financing uses since the refunding date is within 90 days of the call date of the defeased bonds.

Premiums on the bonds totaled \$5,098,747 and interest rates ranged from 2 percent to 5 percent. The District paid a total of \$324,827 in issuance costs. The reacquisition price exceeded the net carrying amount of the old debt by \$81,070; this amount is being netted against and amortized over the shorter of the life of the new or old debt. The proceeds from the sale of the Bonds will be used to (i) refund a portion of the District's outstanding bonds for debt service savings, and (ii) pay the costs of issuing the Bonds. The transaction resulted in an economic gain of \$4,863,107.

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

Year Ending	Principal	Interest	Total
August 31,			
2018	\$ 12,734,482	\$ 8,131,728	\$ 20,866,210
2019	13,040,712	7,783,764	20,824,476
2020	12,726,567	7,880,239	20,606,806
2021	13,466,758	6,560,826	20,027,584
2022	12,265,716	6,033,964	18,299,680
2023 - 2027	61,737,926	22,467,202	84,205,128
2028 - 2032	42,377,746	14,377,408	56,755,154
2033 - 2037	42,610,000	6,387,546	48,997,546
2038 - 2042	23,470,000	1,449,739	24,919,739
	<u>\$ 234,429,907</u>	<u>\$ 81,072,416</u>	<u>\$ 315,502,323</u>
Less Current Portion	<u>12,734,482</u>		
Long Term Debt	<u>\$ 221,695,425</u>		

Note 6 - Long-term Liabilities (continued)

Change in Long-term Liabilities (continued)

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, 2017, \$20,320,000 of refunded bonds outstanding is considered defeased.

Accreted Interest on Premium Compound Interest Bonds

A portion of the bonds sold in the Series 1996, 2002 and 2014 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	\$ 33,074,234	\$ 46,353,709
2002	2022-2032	79,000,000	16,626,438	24,542,543	41,168,981
2014	2020	995,000	330,000	603,448	933,448
		<u>\$ 160,835,000</u>	<u>\$ 30,235,913</u>	<u>\$ 58,220,225</u>	<u>\$ 88,456,138</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:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes	\$ 100,420,914	\$ 25,777,005	\$ -	\$ -	\$ 126,197,919
Investment Income	1,454,166	210,010	721,603	60,461	2,446,240
Co-curricular Student Activities	242,014	-	-	1,394,293	1,636,307
Food Sales	-	-	-	2,147,598	2,147,598
Other	845,928	-	-	63,638	909,566
	<u>\$ 102,963,022</u>	<u>\$ 25,987,015</u>	<u>\$ 721,603</u>	<u>\$ 3,665,990</u>	<u>\$ 133,337,630</u>

Note 8 - Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

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

Note 8 - Defined Benefit Pension Plan (continued)

Contributions (continued)

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

	Contribution Rates	
	2016	2017
Member (Employee)	7.20%	7.70%
District (Employer)	6.80%	6.80%
Non-employer contributing agency (State)	6.80%	6.80%

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). Contributions and pension expense for all contributors were as follows:

	Measurement Year (2016)	Fiscal Year (2017)
	Contributions Required and Made	TRS Contributions
Member (Employee)	\$ 10,485,648	\$ 11,685,664
District (Employer)	4,714,247	5,007,387
Non-employer contributing agency (State)	7,070,299	7,152,244

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

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

Note 8 - Defined Benefit Pension Plan (continued)

Contributions (continued)

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions

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

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Inflation	2.50%
Salary Increases*	3.50% to 9.50% including inflation
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8 - Defined Benefit Retirement Plan (continued)

Discount Rate (continued)

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

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

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

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
District's proportional share of the net pension liability	\$ 86,775,426	\$ 56,068,678	\$ 30,023,148

Note 8 - Defined Benefit Retirement Plan (continued)

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

At August 31, 2017, the District reported a liability of \$56,068,678 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.1484%
District's proportionate share of the net pension liability	\$ 56,068,678
State's proportionate share of the net pension liability associated with the District	<u>83,923,356</u>
Total	<u>\$ 139,992,034</u>

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 through August 31, 2016. Pension liabilities have been liquidated in prior years from the General Fund.

At August 31, 2016 the employer's proportion of the collective net pension liability was 0.1484% which was an increase from its proportion measured as of August 31, 2015 of 0.1397%.

Changes since the Prior Actuarial Valuation

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

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

Note 8 - Defined Benefit Retirement 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, 2017, the District recognized pension expense of \$9,197,726 as well as revenue of \$8,709,243 representing pension expense incurred by the State on behalf of the District.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 879,146	\$ (1,674,178)
Changes in assumptions	1,708,873	(1,554,149)
Difference between projected and actual investment earnings	10,804,511	(6,056,731)
Changes in proportion and differences between District contributions and proportionate share of contributions	12,395,671	(4,462)
District contributions subsequent to the measurement date	5,007,387	
Total	<u>\$ 30,795,588</u>	<u>\$ (9,289,520)</u>

The \$5,007,387 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2018. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31,	
2018	(2,840,882)
2019	(2,840,882)
2020	(5,869,247)
2021	(2,608,201)
2022	(1,725,126)
2023	(614,343)
	<u>\$ (16,498,681)</u>

Note 9 - Retiree Health Plan

Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the TRS. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under TRS. The statutory authority for the program is Texas Insurance Code, Chapter 1575 that grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants.

Note 9 - Retiree Health Plan (continued)

Plan Description (continued)

TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas contribution rate was 1.0 percent effective September 1, 2014, while active public school employee contribution rate was 0.65 percent of public school payroll, with school districts contributing a percentage of payroll set aside at 0.55 percent for fiscal years 2017, 2016, and 2015. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25 percent or greater than 0.75 percent of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0 percent effective September 1, 2014.

Contributions made by the State, District, and staff members, for the years ended August 31, 2017, 2016, and 2015, are as follows:

For the Year Ended August 31,	State TRS Care Contributions Made on Behalf of the District	District Required Contributions to TRS Care	Staff Members Contributions to TRS Care	Total Covered Payroll
2017	\$ 1,398,634	\$ 963,583	\$ 986,449	\$ 151,760,707
2016	1,340,578	916,754	946,632	145,634,727
2015	1,272,995	875,679	901,067	138,624,105

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

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, 2017, 2016, and 2015 the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2017	\$ 461,626
2016	574,248
2015	580,483

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. There has not been any significant reduction of insurance coverage in the last three years. Employees of the District are covered by a fully-insured medical and dental plan through United Health Care. The District and employee contributions are paid directly to the carrier and the carrier assumes all liability to the plan.

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, 2017, there was no liability related to arbitrage.

Note 13 – Prior Period Adjustment

The following is a summary of the prior period adjustments to the net position of the governmental activities:

Net Position as originally presented	\$ 142,042,494
Prior Period Restatement	
Effect of correction of an error - overstated receivable from state agency	(382,554)
Net Position as restated	<u><u>\$ 141,659,940</u></u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Exhibit F-1

Note 13 – Prior Period Adjustment continued)

The following is a summary of the prior period adjustment to the fund balance in the governmental funds:

Fund Balance as originally presented	\$ 150,431,764
Prior Period Restatement	
Effect of correction of an error -	
overstated receivable from state agency	<u>(382,554)</u>
Fund Balance as restated	<u><u>\$ 150,049,210</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended August 31, 2017

Data Control Codes	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	
	Original	Final			
Revenues					
5700	Local revenues	\$ 102,999,100	\$ 102,077,489	\$ 102,963,022	\$ 885,533
5800	State program revenues	99,827,200	102,794,371	103,124,625	330,254
5900	Federal program revenues	1,895,000	2,750,000	3,712,784	962,784
5020	Total revenues	204,721,300	207,621,860	209,800,431	2,178,571
Expenditures					
Current:					
0011	Instruction	116,400,600	115,256,875	113,171,760	2,085,115
0012	Instructional resources and media services	2,524,900	2,581,731	2,425,513	156,218
0013	Curriculum and staff development	3,406,100	3,006,739	2,688,329	318,410
0021	Instructional leadership	5,168,900	5,469,808	5,305,626	164,182
0023	School leadership	13,639,100	13,764,720	13,755,434	9,286
	Guidance, counseling and				
0031	evaluation services	7,509,900	7,267,668	6,925,027	342,641
0032	Social work services	791,600	840,737	693,915	146,822
0033	Health services	1,698,200	1,713,547	1,660,071	53,476
0034	Student transportation	7,170,500	10,095,589	9,599,197	496,392
0035	Food services	10,700	10,700	4,338	6,362
0036	Extracurricular activities	4,313,600	4,541,779	4,062,026	479,753
0041	General administration	8,491,600	8,615,872	8,280,820	335,052
0051	Facilities maintenance and operations	24,278,900	24,622,911	23,784,356	838,555
0052	Security and monitoring services	2,517,800	2,760,673	2,480,503	280,170
0053	Data processing services	3,836,800	3,948,183	3,530,105	418,078
0061	Community services	890,100	953,226	865,132	88,094
Debt Service:					
0071	Principal on long-term debt	355,400	355,400	344,959	10,441
0072	Interest on long-term debt	10,400	10,400	10,400	-
0073	Bond issuance costs and fees	5,200	5,200	2,310	2,890
Capital outlay:					
0081	Facilities acquisition and construction	733,500	2,376,484	1,878,867	497,617
Intergovernmental:					
0099	Payments to appraisal district	967,500	967,500	937,503	29,997
6030	Total Expenditures	204,721,300	209,165,742	202,406,191	6,759,551
1100	Excess (deficiency) of revenues over expenditures	-	(1,543,882)	7,394,240	8,938,122
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	86,812	86,812
7080	Total other financing sources and uses	-	-	86,812	86,812
1200	Net change in fund balances	-	(1,543,882)	7,481,052	9,024,934
0100	Fund balances - beginning	138,319,826	138,319,826	138,319,826	-
3000	Fund balances - ending	\$ 138,319,826	\$ 136,775,944	\$ 145,800,878	\$ 9,024,934

See Notes to the Required Supplementary Information.

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, 2017.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance 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 23, 2016. 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

Exhibit G-3

Teacher Retirement System of Texas

For the Last Three Measurement Years Ended August 31

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.1484%	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	<u>83,923,356</u>	<u>80,743,272</u>	<u>68,611,587</u>
Total	<u>\$ 139,992,034</u>	<u>\$ 130,136,957</u>	<u>\$ 94,278,608</u>
District's covered-employee 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 its covered employee payroll	38.50%	35.63%	19.70%
Plan fiduciary net position as a percentage of the total pension liability*	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered-employee payroll*	92.75%	91.94%	72.89%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2014.
Net pension liability and related ratios will be presented prospectively as data becomes available.

* Per TRS CAFR

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher Retirement System of Texas
Last Ten Fiscal Years Ended August 31

Exhibit G-4

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contributions	\$ 5,007,387	\$ 4,714,247	\$ 4,140,459	\$ 2,436,154	\$ 2,012,917
Contributions in relation to the contractual required contributions	<u>5,007,387</u>	<u>4,714,247</u>	<u>4,140,459</u>	<u>2,436,154</u>	<u>2,012,917</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 151,760,707	\$ 145,634,727	\$ 138,624,105	\$ 130,249,117	\$ 126,142,312
Contributions as a percentage of covered employee payroll	3.30%	3.24%	2.99%	1.87%	1.60%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contributions	\$ 2,078,627	\$ 2,130,068	\$ 3,091,417	\$ 1,963,291	\$ 1,512,630
Contributions in relation to the contractual required contributions	<u>2,078,627</u>	<u>2,130,068</u>	<u>3,091,417</u>	<u>1,963,291</u>	<u>1,512,630</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 127,628,389	\$ 133,037,350	\$ 132,200,257	\$ 123,970,078	\$ 117,353,282
Contributions as a percentage of covered employee payroll	1.63%	1.60%	2.34%	1.58%	1.29%

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

Changes of Assumptions

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

Changes of Benefit Terms

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

OTHER SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

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	Head Start – 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 - Basic - 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 - High Cost Risk Pool - assists with high need students with disabilities whose direct special education and related services costs exceed \$25,000 per school year.
240	Child Nutrition 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 - TPTR (Teacher and Principal Training and Recruiting) - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
263	ESEA, Title III, Part A - English Language Acquisition - 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
265	21st Century Community Learning Centers - provides after-school activities for students in elementary through high school.

(This page intentionally left blank.)

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.
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.
461	Campus Activity - 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, 2017

Data Control Codes	205	206	211
	Head Start Program	Support for Homeless Educ. Prog.	ESEA Title I, Part A Improving Basic Programs
Assets			
1110 Cash and temporary investments	\$ -	\$ -	\$ -
Receivables:			
1240 Receivables from other governments	62,611	1,335	380,930
1290 Other receivables	-	-	-
1310 Inventories, at cost	-	-	-
1000 Total Assets	\$ 62,611	\$ 1,335	\$ 380,930
Liabilites and Fund Balance			
Liabilities:			
Current Liabilities:			
2110 Accounts payable	\$ 7,326	\$ -	\$ 10,901
2160 Accrued wages payable	17,841	-	12,117
2170 Due to other funds	37,444	1,335	357,912
2300 Unearned revenues	-	-	-
2000 Total Liabilities	62,611	1,335	380,930
Fund Balances:			
Restricted			
3450 Grants	-	-	-
Committed			
3545 Campus activity	-	-	-
3000 Total Fund Balances	-	-	-
4000 Total Liabilities and Fund Balance	\$ 62,611	\$ 1,335	\$ 380,930

212	224	225	226	240	244
ESEA Title I, Part C	IDEA B Formula	IDEA B Preschool Grant	IDEA B- Discretionary	Child Nutrition Fund	Vocational Ed - Basic
\$ -	\$ -	\$ 3,681	\$ -	\$ 4,573,522	\$ -
19,635	533,151	1,787	228,802	109,329	-
-	-	-	-	15,605	-
-	-	-	-	350,059	-
<u>\$ 19,635</u>	<u>\$ 533,151</u>	<u>\$ 5,468</u>	<u>\$ 228,802</u>	<u>\$ 5,048,515</u>	<u>\$ -</u>
\$ -	\$ 23,869	\$ -	\$ -	\$ 458,958	\$ -
4,851	83,743	3,050	-	136,516	-
14,784	425,539	2,418	228,802	1,000,791	-
-	-	-	-	-	-
<u>19,635</u>	<u>533,151</u>	<u>5,468</u>	<u>228,802</u>	<u>1,596,265</u>	<u>-</u>
-	-	-	-	3,452,250	-
-	-	-	-	-	-
-	-	-	-	3,452,250	-
<u>\$ 19,635</u>	<u>\$ 533,151</u>	<u>\$ 5,468</u>	<u>\$ 228,802</u>	<u>\$ 5,048,515</u>	<u>\$ -</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2017

Data Control Codes	255	263	265
	Title II, Part A	Title III, Part A	21st Century Grant
Assets			
1110 Cash and temporary investments	\$ -	\$ -	\$ -
Receivables:			
1240 Receivables from other governments	72,051	42,132	59,911
1290 Other receivables	-	-	-
1310 Inventories, at cost	-	-	-
1000 Total Assets	\$ 72,051	\$ 42,132	\$ 59,911
Liabilities and Fund Balance			
Liabilities:			
Current Liabilities:			
2110 Accounts payable	\$ -	\$ 3,844	\$ -
2160 Accrued wages payable	10,155	9,903	6,206
2170 Due to other funds	61,896	28,385	53,705
2300 Unearned revenues	-	-	-
2000 Total Liabilities	72,051	42,132	59,911
Fund Balance:			
Restricted			
3450 Grants	-	-	-
Committed			
3545 Campus activity	-	-	-
3000 Total Fund Balances	-	-	-
4000 Total Liabilities and Fund Balance	\$ 72,051	\$ 42,132	\$ 59,911

288	289	397	410	427	429
Summer School LEP	Various Federal Funds	Advanced Placement Incentive	Instructional Materials Allotment	State Funded Special Revenue Funds	State Funded Special Revenue
\$ 40,492	\$ 2,552	\$ 7,917	\$ 149,141	\$ 282	\$ -
-	-	-	-	-	120,454
-	-	-	3,958	-	-
-	-	-	-	-	-
<u>\$ 40,492</u>	<u>\$ 2,552</u>	<u>\$ 7,917</u>	<u>\$ 153,099</u>	<u>\$ 282</u>	<u>\$ 120,454</u>
\$ -	\$ -	\$ -	\$ 28,227	\$ -	\$ 33,046
-	2,552	-	-	-	6,722
-	-	-	-	-	48,124
40,492	-	7,917	-	282	32,562
<u>40,492</u>	<u>2,552</u>	<u>7,917</u>	<u>28,227</u>	<u>282</u>	<u>120,454</u>
-	-	-	124,872	-	-
-	-	-	-	-	-
-	-	-	124,872	-	-
<u>\$ 40,492</u>	<u>\$ 2,552</u>	<u>\$ 7,917</u>	<u>\$ 153,099</u>	<u>\$ 282</u>	<u>\$ 120,454</u>

(This page intentionally left blank.)

GALENA PARK INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NONMAJOR GOVERNMENTAL FUNDS
 August 31, 2017

Exhibit H-1
 Page 3 of 3

Data Control Codes				Total Nonmajor Governmental Funds	
	461 Campus Activity Funds	481 Other Local Funds	486 Miscellaneous Donations		
Assets					
1110	Cash and temporary investments	\$ 1,080,377	\$ 29,839	\$ 1,088	\$ 5,888,891
Receivables:					
1240	Receivables from other governments	-	-	-	1,632,128
1290	Other receivables	4,076	7,304	-	30,943
1310	Inventories, at cost	-	-	-	350,059
1000	Total Assets	<u>\$ 1,084,453</u>	<u>\$ 37,143</u>	<u>\$ 1,088</u>	<u>\$ 7,902,021</u>
Liabilities and Fund Balance					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 34,882	\$ 4,840	\$ -	\$ 605,893
2160	Accrued wages payable	17,077	-	-	310,733
2170	Due to other funds	6,887	-	-	2,268,022
2300	Unearned revenues	-	32,303	1,088	114,644
2000	Total Liabilities	<u>58,846</u>	<u>37,143</u>	<u>1,088</u>	<u>3,299,292</u>
Fund Balance:					
Restricted					
3450	Grants	-	-	-	3,577,122
Committed					
3545	Campus activity	<u>1,025,607</u>	-	-	<u>1,025,607</u>
3000	Total Fund Balances	<u>1,025,607</u>	-	-	<u>4,602,729</u>
4000	Total Liabilities and Fund Balance	<u>\$ 1,084,453</u>	<u>\$ 37,143</u>	<u>\$ 1,088</u>	<u>\$ 7,902,021</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, 2017

Data Control Codes		205	206	211
		Head Start Program	Support for Homeless Educ. Prog.	ESEA Title I, Part A Improving Basic Programs
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	794,569	99,038	5,124,232
5020	Total revenues	<u>794,569</u>	<u>99,038</u>	<u>5,124,232</u>
Expenditures				
Current:				
0011	Instruction	-	42,530	3,580,344
0012	Instruction resources and media services	-	-	1,285
0013	Curriculum and instructional staff development	-	-	1,115,368
0021	Instructional leadership	121,162	392	152,141
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	24,986	5,208	-
0033	Health services	68,178	-	-
0034	Student transportation	-	50,908	188,718
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	580,243	-	86,376
6030	Total Expenditures	<u>794,569</u>	<u>99,038</u>	<u>5,124,232</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-
Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

212	224	225	226	240	244
ESEA Title I, Part C	IDEA B Formula	IDEA B Preschool Grant	IDEA B- Discretionary	Child Nutrition Fund	Vocational Ed - Basic
\$ -	\$ -	\$ -	\$ -	\$ 2,208,059	\$ -
-	-	-	-	80,136	-
176,096	3,681,075	79,560	228,802	11,193,843	246,422
176,096	3,681,075	79,560	228,802	13,482,038	246,422
49,639	2,547,548	79,560	151,207	-	246,422
-	-	-	-	-	-
-	605,778	-	-	-	-
86,154	78,746	-	-	-	-
-	1,050	-	-	-	-
-	397,658	-	-	-	-
35,324	-	-	-	-	-
-	18,835	-	77,595	-	-
437	30,049	-	-	-	-
-	-	-	-	13,246,464	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	240,852	-
-	-	-	-	-	-
-	-	-	-	-	-
4,542	1,411	-	-	-	-
176,096	3,681,075	79,560	228,802	13,487,316	246,422
-	-	-	-	(5,278)	-
-	-	-	-	10,135	-
-	-	-	-	10,135	-
-	-	-	-	4,857	-
-	-	-	-	3,447,393	-
\$ -	\$ -	\$ -	\$ -	\$ 3,452,250	\$ -

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, 2017

		255	263	265
Data Control Codes		Title II, Part A	Title III, Part A	21st Century Grant
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	617,128	890,811	307,558
5020	Total revenues	<u>617,128</u>	<u>890,811</u>	<u>307,558</u>
Expenditures				
Current:				
0011	Instruction	5,826	395,738	189,960
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	599,151	474,037	-
0021	Instructional leadership	12,151	14,027	117,573
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	7,009	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	25
6030	Total Expenditures	<u>617,128</u>	<u>890,811</u>	<u>307,558</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

288	289	397	410	427	429
Summer School LEP	Various Federal Funds	Advanced Placement Incentive	Instructional Materials Allotment	State Funded Special Revenue Funds	State Funded Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,571
-	-	12,968	2,779,972	367	743,496
21,708	125	-	-	-	-
<u>21,708</u>	<u>125</u>	<u>12,968</u>	<u>2,779,972</u>	<u>367</u>	<u>748,067</u>
18,013	-	-	2,676,842	-	371,684
-	-	-	-	367	-
136	-	12,968	-	-	204,720
-	-	-	300	-	4,520
-	-	-	-	-	-
-	125	-	-	-	-
-	-	-	-	-	124,498
-	-	-	-	-	-
3,559	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	600	-	-
-	-	-	-	-	-
-	-	-	300	-	-
-	-	-	-	-	42,645
<u>21,708</u>	<u>125</u>	<u>12,968</u>	<u>2,678,042</u>	<u>367</u>	<u>748,067</u>
-	-	-	101,930	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	101,930	-	-
-	-	-	22,942	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,872</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, 2017

Exhibit H-2
Page 3 of 3

Data Control Codes		461	481	486	Total - Nonmajor Governmental Funds
		Campus Activity Funds	Other Local Funds	Miscellaneous Donations	
Revenues					
5700	Local, intermediate, and out-of-state	\$ 1,394,293	\$ 58,143	\$ 924	\$ 3,665,990
5800	State program revenues	-	-	-	3,616,939
5900	Federal program revenues	-	-	-	23,460,967
5020	Total revenues	<u>1,394,293</u>	<u>58,143</u>	<u>924</u>	<u>30,743,896</u>
Expenditures					
Current:					
0011	Instruction	165,666	13,280	-	10,534,259
0012	Instruction resources and media services	30,113	6,799	-	38,564
0013	Curriculum and instructional staff development	6,393	19,536	-	3,038,087
0021	Instructional leadership	3,278	7,668	-	598,112
0023	School leadership	198,618	9,095	-	208,763
0031	Guidance, counseling and evaluation services	-	-	-	397,783
0032	Social work services	-	-	-	190,016
0033	Health services	-	-	-	164,608
0034	Student transportation	7,358	-	-	288,038
0035	Food services	-	-	-	13,246,464
0036	Extracurricular activities	1,035,044	500	-	1,035,544
0041	General administration	2,699	-	-	2,699
0051	Facilities maintenance and operations	18,461	-	-	259,913
0052	Security and monitoring services	350	-	-	350
0053	Data processing services	-	-	-	300
0061	Community services	2,808	1,265	924	720,239
6030	Total Expenditures	<u>1,470,788</u>	<u>58,143</u>	<u>924</u>	<u>30,723,739</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(76,495)</u>	<u>-</u>	<u>-</u>	<u>20,157</u>
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	10,135
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,135</u>
1200	Net change in fund balances	(76,495)	-	-	30,292
0100	Fund balance - September 1 (beginning)	<u>1,102,102</u>	<u>-</u>	<u>-</u>	<u>4,572,437</u>
3000	Fund balance - August 31 (ending)	<u>\$ 1,025,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,602,729</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
August 31, 2017

Exhibit H-3

	Balance September 1, 2016	Additions	Deductions	Balance August 31, 2017
Assets				
Cash and Cash Equivalents	\$ 261,261	\$ 861,056	\$ (834,430)	\$ 287,887
	<u>\$ 261,261</u>	<u>\$ 861,056</u>	<u>\$ (834,430)</u>	<u>\$ 287,887</u>
Liabilities				
Accounts Payable	\$ 6,146	\$ 14,369	\$ -	\$ 20,515
Due to Other Governments	-	410	-	410
Due to Student Groups	255,115	846,277	(834,430)	266,962
	<u>\$ 261,261</u>	<u>\$ 861,056</u>	<u>\$ (834,430)</u>	<u>\$ 287,887</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended August 31, 2017

Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 9/1/16
	1 Maintenance	2 Debt Service		
2008 and prior	Various	Various	Various	\$ 1,502,043
2009	1.18340	0.27250	5,466,719,898	225,101
2010	1.18340	0.29500	5,682,442,359	248,253
2011	1.18340	0.33000	5,462,732,192	224,239
2012	1.18340	0.33000	5,420,068,595	234,301
2013	1.18340	0.33000	6,362,846,718	413,153
2014	1.24330	0.27010	6,748,726,082	539,070
2015	1.24330	0.27010	7,433,199,935	657,125
2016	1.24330	0.27010	8,142,261,887	2,000,475
2017	1.24330	0.32000	8,161,446,159	
1000 Totals				\$ 6,043,760

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/17
\$ -	\$ 63,478	\$ 14,890	\$ (73,003)	\$ 1,350,672
-	13,327	3,069	(6,929)	201,776
-	15,959	3,978	(6,553)	221,763
-	18,545	5,171	(6,805)	193,718
-	34,876	9,725	1,293	190,993
-	48,575	11,087	6,016	359,507
-	(642,552)	(139,591)	(881,142)	440,071
-	109,225	23,729	(73,717)	450,454
-	536,358	116,521	(341,606)	1,005,990
<u>126,984,745</u>	<u>99,147,355</u>	<u>25,518,502</u>	<u>-</u>	<u>2,318,888</u>
<u>\$ 126,984,745</u>	<u>\$ 99,345,146</u>	<u>\$ 25,567,081</u>	<u>\$ (1,382,446)</u>	<u>6,733,832</u>
				<u>4,570,015</u>
				<u>\$ 11,303,847</u>

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

GALENA PARK INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
For the Year Ended August 31, 2017

Exhibit J-2

Data Control Codes		Budget			Variance
		Original	Final	Actual	Favorable (Unfavorable)
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 2,449,400	\$ 2,449,400	\$ 2,208,059	\$ (241,341)
5800	State Program Revenues	75,000	75,000	80,136	5,136
5900	Federal Program Revenues	11,425,800	11,725,800	11,193,843	(531,957)
5020	Total Revenues	<u>13,950,200</u>	<u>14,250,200</u>	<u>13,482,038</u>	<u>(768,162)</u>
Expenditures					
Current:					
0035	Food Services	14,478,300	14,778,300	13,246,464	1,531,836
0051	Plant maintenance and operations	323,600	323,600	240,852	82,748
6030	Total Expenditures	<u>14,801,900</u>	<u>15,101,900</u>	<u>13,487,316</u>	<u>1,614,584</u>
1100	Excess (Deficiency) Revenues Over Expenditures	(851,700)	(851,700)	(5,278)	846,422
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	10,135	10,135
1200	Net change in fund balances	(851,700)	(851,700)	4,857	856,557
0100	Fund Balance - beginning	<u>3,447,393</u>	<u>3,447,393</u>	<u>3,447,393</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 2,595,693</u>	<u>\$ 2,595,693</u>	<u>\$ 3,452,250</u>	<u>\$ 856,557</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended August 31, 2017

Exhibit J-3

Data Control Codes	Budget			Variance Favorable (Unfavorable)	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 22,197,800	\$ 26,060,650	\$ 25,987,015	\$ (73,635)
5800	State Program Revenues	253,400	253,400	293,518	40,118
5020	Total Revenues	<u>22,451,200</u>	<u>26,314,050</u>	<u>26,280,533</u>	<u>(33,517)</u>
Expenditures					
Current:					
Debt Service:					
0071	Principal on long-term debt	10,217,505	47,892,502	47,872,501	20,001
0072	Interest on long-term debt	9,362,495	12,002,874	11,621,063	381,811
0073	Bond issuance costs and fees	8,000	505,000	503,126	1,874
6030	Total Expenditures	<u>19,588,000</u>	<u>60,400,376</u>	<u>59,996,690</u>	<u>403,686</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>2,863,200</u>	<u>(34,086,326)</u>	<u>(33,716,157)</u>	<u>370,169</u>
Other Financing Sources (Uses)					
7911	Refunding bonds issued	-	35,000,000	41,000,000	6,000,000
7916	Premium or discount on issuance of bonds	-	-	7,203,977	7,203,977
8949	Payment to bond refunding escrow agent	-	-	(13,213,931)	(13,213,931)
	Total other financing sources and uses	<u>-</u>	<u>35,000,000</u>	<u>34,990,046</u>	<u>(9,954)</u>
1200	Net change in fund balances	2,863,200	913,674	1,273,889	360,215
0100	Fund Balance - beginning	7,539,501	7,539,501	7,539,501	-
1300	Prior period adjustment	-	-	(382,554)	(382,554)
3000	Fund Balance - ending	<u>\$ 10,402,701</u>	<u>\$ 8,453,175</u>	<u>\$ 8,430,836</u>	<u>\$ (22,339)</u>

(This page intentionally left blank.)

STATISTICAL SECTION
(UNAUDITED)

(This page intentionally left blank.)

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	88
These schedules contain trend information to show how the District’s financial performance and position have changed over time	
Revenue Capacity	98
These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.	
Debt Capacity	106
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	112
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	114
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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:			
Net investment in capital assets	\$ 77,029,615	\$ 71,473,347	\$ 64,843,915
Restricted	13,199,434	11,671,948	9,080,679
Unrestricted	60,846,881	58,897,199	50,004,043
Total Governmental Activities Net Position	<u>\$ 151,075,930</u>	<u>\$ 142,042,494</u>	<u>\$ 123,928,637</u>

Table 1

2014	2013	2012	2011	2010	2009	2008
\$ 50,303,111	\$ 48,447,172	\$ 48,387,569	\$ 53,833,026	\$ 49,875,572	\$ 52,299,778	\$ 51,849,703
13,823,205	13,023,826	10,016,278	10,531,018	9,835,302	9,702,298	8,028,543
57,092,596	33,597,971	10,028,641	5,897,450	10,646,315	5,488,537	4,843,758
\$ 121,218,912	\$ 95,068,969	\$ 68,432,488	\$ 70,261,494	\$ 70,357,189	\$ 67,490,613	\$ 64,722,004

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses:			
Governmental Activities:			
Instruction	\$ 134,569,316	\$ 119,286,904	\$ 118,671,778
Instructional Resources and Media Services	2,817,371	2,753,916	2,484,130
Curriculum and Instructional Staff Development	5,961,598	5,432,709	5,049,277
Instructional Leadership	6,087,473	5,758,176	5,446,409
School Leadership	14,360,951	13,720,730	12,226,016
Guidance, Counseling, and Evaluation Services	7,940,012	7,635,301	6,971,684
Social Work Services	904,579	696,048	533,315
Health Services	1,884,102	1,828,426	1,745,665
Student (Pupil) Transportation	8,491,227	6,478,596	6,060,314
Food Services	13,964,364	15,007,128	13,898,421
Cocurricular/Extracurricular Activities	5,100,028	5,424,069	4,956,638
General Administration	8,507,836	7,914,425	7,523,092
Facilities Maintenance and Operations	24,949,307	27,253,373	28,066,758
Security and Monitoring Services	2,488,235	2,568,194	2,572,674
Data Processing Services	3,805,769	3,815,141	3,177,492
Community Services	1,635,714	1,411,317	1,389,389
Debt Service - Interest on Long-term Debt	12,766,645	10,967,667	10,832,510
Debt Service - Bond Issuance Costs and Fees	1,757,777	-	-
Other Facility Costs	1,700,855	2,170,865	97,650
Payments to Appraisal District	937,503	908,466	857,019
Total Governmental Activities Expenses	<u>260,630,662</u>	<u>241,031,451</u>	<u>232,560,231</u>
Total Primary Government Expenses	<u>260,630,662</u>	<u>241,031,451</u>	<u>232,560,231</u>

Program Revenues:

Governmental Activities:

Charges for Services:

Instruction	673,736	804,888	662,850
School Leadership	147,074	160,176	125,841
Food Services	2,147,598	181,054	2,396,603
Cocurricular/Extracurricular Activities	1,237,846	2,339,622	971,872
General Administration	21,501	-	-
Facilities Maintenance and Operations	180,392	1,188,365	191,367
Security and Monitoring Services	5,375	-	-
Other Facility Costs	5,375	-	-
Other Activities	105,903	-	-
Operating Grants and Contributions	41,428,025	29,381,400	34,844,417
Total Governmental Activities Program Revenues	<u>45,952,825</u>	<u>34,055,505</u>	<u>39,192,950</u>
Total Primary Government Program Revenues	<u>45,952,825</u>	<u>34,055,505</u>	<u>39,192,950</u>

Table 2
Page 1 of 2

	2014	2013	2012	2011	2010	2009	2008
\$	113,536,472	\$ 110,548,329	\$ 119,602,322	\$ 122,370,042	\$ 113,577,108	\$ 108,256,241	\$ 97,192,638
	2,543,759	2,421,087	2,516,129	2,534,826	2,442,877	2,329,227	2,118,912
	4,785,800	4,508,432	5,345,912	5,908,955	5,161,904	4,269,795	3,989,393
	5,158,621	4,728,055	5,141,031	4,956,514	4,445,447	4,750,832	3,909,503
	11,686,374	9,877,826	10,620,953	11,178,042	10,327,302	9,968,042	8,789,170
	5,967,337	5,606,717	6,634,847	6,937,775	6,148,901	6,090,505	5,592,874
	581,864	419,590	388,202	537,078	593,215	625,719	673,929
	1,696,559	1,641,843	1,733,425	1,724,297	1,574,097	1,413,780	1,301,805
	5,442,835	5,533,763	5,520,678	5,508,054	4,584,314	4,950,809	4,807,046
	13,828,395	12,325,411	12,428,159	11,309,542	9,775,884	10,162,221	9,337,078
	4,784,559	3,896,064	4,209,663	3,842,327	3,538,725	3,307,338	3,124,249
	6,990,616	6,445,569	6,905,251	7,385,442	5,963,619	5,953,647	6,265,341
	27,857,900	23,624,581	25,311,366	24,487,945	20,412,889	21,412,919	19,147,258
	2,778,838	2,013,057	1,968,539	2,363,252	2,105,534	2,090,879	1,808,136
	2,516,556	2,539,098	2,289,328	2,195,154	2,694,257	1,911,117	1,651,635
	1,427,226	1,419,328	1,387,390	1,318,585	1,294,642	1,085,044	949,134
	11,978,110	13,296,766	13,569,926	13,692,016	13,543,239	12,550,677	11,898,476
	-	-	2,100	99,352	6,814	7,665	215,808
	199,646	-	-	-	5,004,840	1,373,270	1,114,540
	764,804	680,484	687,831	667,412	586,095	563,772	-
	<u>224,526,271</u>	<u>211,526,000</u>	<u>226,263,052</u>	<u>229,016,610</u>	<u>213,781,703</u>	<u>203,073,499</u>	<u>183,886,925</u>
	224,526,271	211,526,000	226,263,052	229,016,610	213,781,703	203,073,499	183,886,925
	1,055,658	378,481	691,838	321,668	253,892	511,097	531,777
	126,835	92,036	108,021	141,352	121,318	108,929	144,475
	2,748,933	2,584,100	2,629,662	2,664,951	2,671,651	2,813,059	2,348,231
	882,036	776,879	755,675	341,864	285,589	334,166	330,813
	-	-	-	-	23,471	38,669	72,693
	293,264	29,935	145,482	160,201	109,623	84,388	113,675
	-	-	-	59,129	66,313	-	-
	-	-	-	-	11,884	199,927	199,927
	-	-	-	-	12,918	30,142	61,725
	<u>36,638,833</u>	<u>34,920,645</u>	<u>47,454,168</u>	<u>52,386,497</u>	<u>35,532,170</u>	<u>30,617,676</u>	<u>27,854,681</u>
	41,745,559	38,782,076	51,784,846	56,075,662	39,088,829	34,738,053	31,657,997
	<u>41,745,559</u>	<u>38,782,076</u>	<u>51,784,846</u>	<u>56,075,662</u>	<u>39,088,829</u>	<u>34,738,053</u>	<u>31,657,997</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense) / Revenue:			
Governmental Activities	\$ (214,677,837)	\$ (206,975,946)	\$ (193,367,281)
Total Primary Government Net (Expense)/Revenue	<u>(214,677,837)</u>	<u>(206,975,946)</u>	<u>(193,367,281)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$ 127,044,616	121,304,611	112,784,242
State Aid - Formula Grants	94,400,991	102,779,386	111,798,949
Unrestricted Grants and Contributions		23,999	69,486
Investment Earnings	2,446,240	687,509	206,950
Miscellaneous Income	201,980	294,298	298,220
Total Governmental Activities	<u>224,093,827</u>	<u>225,089,803</u>	<u>225,157,847</u>
Total Primary Government	<u>224,093,827</u>	<u>225,089,803</u>	<u>225,157,847</u>
Change in Net Position			
Governmental Activities	9,415,990	18,113,857	31,790,566
Total Primary Government	<u>\$ 9,415,990</u>	<u>\$ 18,113,857</u>	<u>\$ 31,790,566</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>\$ (182,780,712)</u>	<u>\$ (172,743,924)</u>	<u>\$ (174,478,206)</u>	<u>\$ (172,940,948)</u>	<u>\$ (174,692,874)</u>	<u>\$ (168,335,446)</u>	<u>\$ (152,228,928)</u>
<u>(182,780,712)</u>	<u>(172,743,924)</u>	<u>(174,478,206)</u>	<u>(172,940,948)</u>	<u>(174,692,874)</u>	<u>(168,335,446)</u>	<u>(152,228,928)</u>
101,858,021	82,406,881	82,638,413	84,019,149	79,970,986	\$ 70,110,785	\$ 72,803,076
104,724,697	90,609,429	89,566,964	88,240,597	96,509,112	98,205,339	81,439,459
86,213	3,524,025	3,619	133,886	366	7,260	836,330
167,415	195,268	226,543	285,073	1,041,617	2,709,581	3,497,284
<u>266,551</u>	<u>325,679</u>	<u>213,661</u>	<u>166,548</u>	<u>37,369</u>	<u>71,096</u>	<u>361,190</u>
<u>207,102,897</u>	<u>177,061,282</u>	<u>172,649,200</u>	<u>172,845,253</u>	<u>177,559,450</u>	<u>171,104,061</u>	<u>158,937,339</u>
<u>207,102,897</u>	<u>177,061,282</u>	<u>172,649,200</u>	<u>172,845,253</u>	<u>177,559,450</u>	<u>171,104,061</u>	<u>158,937,339</u>
24,322,185	4,317,358	(1,829,006)	(95,695)	2,866,576	2,768,615	6,708,411
<u>\$ 24,322,185</u>	<u>\$ 4,317,358</u>	<u>\$ (1,829,006)</u>	<u>\$ (95,695)</u>	<u>\$ 2,866,576</u>	<u>\$ 2,768,615</u>	<u>\$ 6,708,411</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	306,603	268,136	264,221	307,509
Assigned	57,700,343	55,725,484	43,270,858	62,387,369
Unassigned	87,793,932	82,326,206	79,206,234	37,350,825
Total General Fund	<u>\$ 145,800,878</u>	<u>\$ 138,319,826</u>	<u>\$ 122,741,313</u>	<u>\$ 100,045,703</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	-	411,560	296,283	328,052
Restricted	78,363,471	10,598,276	7,570,842	15,290,632
Committed	1,025,607	1,102,102	1,177,195	1,105,276
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 79,389,078</u>	<u>\$ 12,111,938</u>	<u>\$ 9,044,320</u>	<u>\$ 16,723,960</u>

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.

Table 3

2013	2012	2011	2010	2009	2008
\$ -	\$ -	\$ -	\$ 2,481,483	\$ 2,481,483	\$ 1,155,917
-	-	-	41,272,266	41,272,266	34,900,554
2,197,568	2,237,057	1,671,045	-	-	-
31,379,551	30,576,739	28,828,263	-	-	-
43,934,114	22,881,292	18,590,443	-	-	-
<u>\$ 77,511,233</u>	<u>\$ 55,695,088</u>	<u>\$ 49,089,751</u>	<u>\$ 43,753,749</u>	<u>\$ 43,753,749</u>	<u>\$ 36,056,471</u>
\$ -	\$ -	\$ -	\$ 8,881,453	\$ 8,451,723	\$ 8,372,217
-	-	-	22,880,112	10,909,530	18,606,927
330,573	259,018	391,839	-	-	-
14,938,506	15,433,451	20,337,361	-	-	-
1,118,844	1,117,250	925,527	-	-	-
74,845	-	(2,513)	-	-	-
<u>\$ 16,462,768</u>	<u>\$ 16,809,719</u>	<u>\$ 21,652,214</u>	<u>\$ 31,761,565</u>	<u>\$ 19,361,253</u>	<u>\$ 26,979,144</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues			
Local, intermediate, and out-of-state	\$ 133,337,630	\$ 128,445,612	\$ 115,585,283
State program revenues	107,035,082	111,995,083	122,134,322
Federal program revenues	27,173,751	26,322,625	24,897,318
Total revenues	<u>267,546,463</u>	<u>266,763,320</u>	<u>262,616,923</u>
Expenditures			
Current:			
Instruction	123,706,019	119,942,290	116,123,750
Instruction resoruces and media services	2,464,077	2,474,879	2,261,229
Curriculum and instructional staff development	5,726,416	5,238,950	5,099,920
Instructional leadership	5,903,738	5,533,203	5,315,963
School leadership	13,964,197	13,251,279	12,087,329
Guidance, counseling and evaluation services	7,322,810	7,386,617	6,886,719
Social work services	883,931	820,905	543,602
Health services	1,824,679	1,743,465	1,708,342
Student transportation	9,887,235	6,963,858	5,647,991
Food services	13,250,802	14,151,542	13,497,039
Extracurricular activities	5,097,570	4,841,762	4,428,695
General administration	8,283,519	7,668,435	7,366,069
Facilities maintenance and operations	24,044,269	25,359,501	28,443,150
Security and monitoring services	2,480,853	2,590,903	2,575,648
Data processing services	3,530,405	3,294,586	3,799,413
Community services	1,585,371	1,365,667	1,436,163
Principal on long-term debt	48,217,460	12,243,335	10,975,838
Interest on long-term debt	11,631,463	8,596,257	9,044,466
Bond issuance costs and fees	1,757,777	9,060	174,015
Facilities acquisition and construction expenditures	26,244,957	3,817,722	680,693
Payments to appraisal districts	937,503	908,466	857,019
Total Expenditures	<u>318,745,051</u>	<u>248,202,682</u>	<u>238,953,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,198,588)</u>	<u>18,560,638</u>	<u>23,663,870</u>
Other financing sources (uses)			
Refunding bonds issued	41,000,000	-	9,505,000
Capital related debt issued (regular bonds)	87,315,000	-	-
Sale of real or personal property	96,947	85,493	84,150
Transfers in	-	4	-
Premium or discount on issuance of bonds	11,141,318	-	456,463
Transfers out	-	(4)	-
Payment to bond refunding escrow agent	(13,213,931)	-	(18,693,513)
Other resources	-	-	-
Other uses - court ordered tax refunds	-	-	-
Total other financing sources (uses)	<u>126,339,334</u>	<u>85,493</u>	<u>(8,647,900)</u>
Net change in Fund Balances	<u>\$ 75,140,746</u>	<u>\$ 18,646,131</u>	<u>\$ 15,015,970</u>
Debt service as a percentage of noncapital expenditures*	21.21%	8.66%	8.58%

* 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 statement of activities and the statement of revenues, expenditures, and changes in fund balance.

Table 4

2014	2013	2012	2011	2010	2009	2008
\$ 107,545,114	\$ 100,870,878	\$ 86,839,658	\$ 88,352,462	\$ 87,446,212	\$ 84,497,542	\$ 76,939,894
115,638,378	111,519,829	100,431,290	101,831,613	99,495,102	107,326,585	108,661,567
25,663,538	25,300,766	28,555,473	35,122,701	41,171,536	24,513,530	20,167,976
248,847,030	237,691,473	215,826,421	225,306,776	228,112,850	216,337,657	205,769,437
108,236,343	105,345,195	104,778,613	113,533,933	116,343,652	108,274,823	101,879,051
2,297,366	2,096,006	2,156,143	2,238,478	2,250,754	2,146,819	2,070,834
4,741,875	4,465,590	4,486,751	5,322,015	5,883,925	5,135,790	4,248,338
5,040,251	4,807,130	4,699,674	5,027,723	4,851,875	4,366,090	4,667,600
11,495,594	9,780,324	9,733,219	10,470,061	11,055,609	10,162,127	9,853,352
5,900,141	5,905,014	5,558,339	6,582,751	6,881,197	6,087,783	6,041,654
578,533	466,373	417,632	386,115	534,991	591,089	623,889
1,653,579	1,580,846	1,606,261	1,695,358	1,686,373	1,535,239	1,379,020
5,705,878	5,610,045	5,210,690	5,098,572	5,446,174	4,762,776	4,707,440
13,146,607	12,385,551	12,037,705	13,163,036	11,077,711	11,113,215	9,987,017
4,198,630	3,533,511	3,384,149	4,182,803	3,885,984	3,345,017	2,908,841
6,824,006	6,348,851	6,143,821	6,732,709	6,980,173	5,856,038	5,846,843
26,445,792	21,969,662	21,411,993	23,414,498	21,786,715	20,754,911	19,874,965
2,839,113	2,412,958	2,044,109	2,006,943	2,332,810	2,104,542	2,090,946
2,271,870	2,635,290	2,826,525	2,449,516	2,051,911	2,694,735	1,911,618
1,408,332	1,395,984	1,406,599	1,373,535	1,305,020	1,284,313	1,076,330
10,528,062	9,904,288	8,124,325	10,848,290	10,025,749	9,199,916	8,854,781
9,871,530	11,049,145	13,148,832	10,496,688	10,771,053	11,195,372	10,561,545
172,598	533,905	166,082	165,893	99,352	-	-
294,454	3,892,873	4,583,902	8,337,870	3,175,535	5,004,840	18,107,897
764,804	721,839	680,484	687,831	667,412	586,095	563,772
224,415,358	216,840,380	214,605,848	234,214,618	229,093,975	216,201,530	217,255,733
24,431,672	20,851,093	1,220,573	(8,907,842)	(981,125)	136,127	(11,486,296)
8,970,000	37,990,000	9,234,299	9,250,000	-	-	-
-	-	-	-	17,000,000	-	18,000,000
41,806	34,816	230,813	79,973	39,096	24,581	39,341
13,427	79,105	1,346,897	235,750	68,924	28,106	9,819
986,842	3,212,391	745,214	671,423	85,170	-	92,057
(13,427)	(79,105)	(1,346,897)	(235,750)	(40,928)	(27,948)	(9,819)
(9,787,132)	(40,619,106)	(9,796,601)	(9,753,590)	-	-	-
-	-	128,542	89,284	26,578	-	-
-	-	-	-	-	(81,480)	-
211,516	618,101	542,267	337,090	17,178,840	(56,741)	18,131,398
\$ 24,643,188	\$ 21,469,194	\$ 1,762,840	\$ (8,570,752)	\$ 16,197,715	\$ 79,386	\$ 6,645,102
9.42%	10.22%	10.61%	9.39%	9.44%	10.34%	10.01%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues from Local and Intermediate Sources:				
Property Taxes	\$ 126,197,919	\$ 122,825,737	\$ 110,746,646	\$ 101,898,646
Food Sales	2,147,598	2,333,083	2,396,720	2,750,940
Earnings on Investments	2,446,240	687,500	206,953	167,415
Cocurricular / Student Activities	1,636,307	1,753,061	1,143,482	1,062,967
Other Revenues from Local and Intermediate Sources	909,566	846,231	1,091,482	1,665,146
Total Revenue from Local and Intermediate Sources	<u>133,337,630</u>	<u>128,445,612</u>	<u>115,585,283</u>	<u>107,545,114</u>
State Program Revenues:				
Foundation School Formula	85,840,648	97,269,336	102,427,994	96,750,134
TRS On-behalf Revenue	9,012,952	8,871,824	8,584,055	7,975,683
Debt Allotment	293,518	1,645,363	2,340,175	2,553,951
Available School Fund (Per Capita)	8,202,430	3,790,886	5,505,980	5,347,184
District Awards Teacher Excellence (DATE)	-	-	-	-
Texas Educator Excellence Governors Award (TEEG)	-	-	-	-
Technology Allotment	-	-	-	-
TX HS Initiative - Early Warning Data System (STTE)	-	-	-	-
Accelerated Reading & Math Instruction (ARI/AMI)	-	-	-	-
Student Success Initiative	-	-	-	-
Instructional Materials Allotment	2,779,972	-	1,647,182	2,834,175
TRS Employee Health Insurance	-	-	1,451,572	-
Other State Program Revenues **	905,562	417,674	177,364	177,251
Total State Program Revenues	<u>107,035,082</u>	<u>111,995,083</u>	<u>122,134,322</u>	<u>115,638,378</u>
Federal Program Revenues:				
State Fiscal Stabilization Fund	-	-	-	-
National School Breakfast and Lunch Program	10,877,567	11,012,191	10,597,174	10,280,909
ESEA Title I, Part A - Improving Basic Programs	5,260,683	5,132,166	5,307,455	5,111,193
IDEA Part B - Formula	3,778,859	3,515,491	3,727,742	3,956,789
IDEA Part B - Formula - ARRA	-	-	-	-
ESEA Title I, Part A - Improving Basic Programs - ARRA	-	-	-	-
SHARS	2,127,418	1,634,964	-	1,606,362
ESEA Title II, Part A - Teacher, Principal, Training, Recruiting	650,054	682,687	726,222	744,649
Early Head Start	795,590	781,856	781,856	732,369
ESEA Title III, Part A	927,765	683,384	658,421	554,948
USDA Commodities	1,051,725	979,489	846,558	871,112
Advanced Placement Incentive Program	12,968	-	-	-
E-Rate	406,155	498,286	656,906	694,871
Vocational Education - Carl D. Perkins	253,670	-	-	-
ESEA Title II, Part D - Technology Immersion Pilot (TIP)	-	-	726,222	-
Title I, Part C	184,710	-	-	184,509
21st Century	307,558	331,383	406,429	253,876
Education Jobs Fund	-	-	-	-
Temporary Impact Aid - HERA	-	-	-	-
FEMA Disaster Assistance***	-	-	-	-
Other Federal Program Revenue **	539,029	1,070,728	462,333	671,951
Total Federal Program Revenues	<u>27,173,751</u>	<u>26,322,625</u>	<u>24,897,318</u>	<u>25,663,538</u>
Total Revenues for Governmental Funds	<u>\$ 267,546,463</u>	<u>\$ 266,763,320</u>	<u>\$ 262,616,923</u>	<u>\$ 248,847,030</u>

* This schedule is prepared in lieu of a Schedule of Tax Revenues by Source, as all tax revenues received by the District are Ad Valorem Taxes.

** 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.

*** Disaster assistance grants received are the result of damage from Hurricane Ike.

Table 5

2013	2012	2011	2010	2009	2008
\$ 96,060,301	\$ 82,518,824	\$ 83,600,427	\$ 83,277,367	\$ 79,685,962	\$ 70,112,171
2,655,573	2,584,201	2,629,662	2,664,951	2,649,521	2,813,791
177,448	195,268	226,543	284,441	1,023,944	2,397,172
1,367,827	1,121,203	1,025,400	639,550	551,336	664,164
609,729	420,162	870,430	579,903	586,779	952,596
<u>100,870,878</u>	<u>86,839,658</u>	<u>88,352,462</u>	<u>87,446,212</u>	<u>84,497,542</u>	<u>76,939,894</u>
89,799,577	81,902,071	79,814,416	82,113,931	85,971,145	86,415,431
6,868,878	7,395,226	8,193,606	7,069,140	7,611,883	7,572,012
4,503,773	3,597,685	3,134,120	3,700,428	5,443,920	6,283,044
9,490,102	5,056,922	6,555,194	2,364,313	5,053,058	5,484,330
-	1,454,823	1,480,587	1,410,553	-	-
-	-	-	923,541	1,357,418	1,346,233
-	-	591,107	588,162	588,152	579,554
-	-	-	362,670	-	-
-	-	-	-	461,089	466,400
-	351,661	322,868	-	-	-
560,990	503,730	1,181,649	-	-	-
-	-	-	-	-	-
296,509	169,172	558,066	962,364	839,920	514,563
<u>111,519,829</u>	<u>100,431,290</u>	<u>101,831,613</u>	<u>99,495,102</u>	<u>107,326,585</u>	<u>108,661,567</u>
-	-	7,685,510	9,496,712	633,177	-
9,978,169	9,218,262	9,151,875	8,387,965	7,442,637	7,092,687
5,038,958	5,436,695	5,777,650	6,158,912	6,104,877	4,028,333
3,547,960	3,613,526	3,819,176	3,959,045	4,696,208	3,412,477
-	-	1,115,174	3,371,003	-	-
-	-	653,454	2,899,607	-	-
1,588,777	958,755	1,316,842	1,324,154	-	306,834
718,650	734,977	959,530	925,830	879,855	795,753
772,064	744,934	766,216	754,745	766,954	730,476
668,683	889,017	683,393	717,819	769,864	570,797
856,296	720,258	762,388	583,059	680,583	625,256
-	-	457,761	575,924	-	-
678,780	399,938	615,467	421,917	-	365,242
-	-	-	-	312,802	-
-	-	-	-	-	339,972
-	345,741	-	-	-	-
-	536,926	-	-	458,130	528,002
-	3,792,270	-	-	-	-
-	-	-	-	-	-
-	-	-	-	421,641	-
1,452,429	1,164,174	1,358,265	1,594,844	1,346,802	1,372,147
<u>25,300,766</u>	<u>28,555,473</u>	<u>35,122,701</u>	<u>41,171,536</u>	<u>24,513,530</u>	<u>20,167,976</u>
<u>\$ 237,691,473</u>	<u>\$ 215,826,421</u>	<u>\$ 225,306,776</u>	<u>\$ 228,112,850</u>	<u>\$ 216,337,657</u>	<u>\$ 205,769,437</u>

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

Fiscal Year Ended August 31,	Appraised Value		Less Exemptions	Total Taxable Assessed Value
	Real Property	Personal Property		
2008	\$ 3,153,068,761	\$ 3,114,049,982	\$ (1,449,848,633)	\$ 4,817,270,110
2009	3,334,047,889	3,801,206,900	(1,668,534,891)	5,466,719,898
2010	3,374,490,897	3,950,573,931	(1,681,471,194)	5,643,593,634
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	3,919,364,074	5,764,517,819	(2,250,681,962)	7,433,199,931
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

(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.

Table 6

Total Direct Tax Rate (1)	Actual Value	Assessed Value as a Percentage of Actual Value
\$ 1.43090	\$ 6,296,753,135	77%
1.45590	7,164,108,053	76%
1.47840	7,340,015,099	77%
1.51340	7,191,240,810	76%
1.51340	7,264,497,418	75%
1.51340	8,376,275,379	76%
1.51340	8,901,084,602	76%
1.51340	9,711,137,783	77%
1.51340	10,369,374,842	79%
1.56330	10,323,739,943	79%

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

Taxing Authority	2017	2016	2015	2014
Overlapping Rates:				
Cities:				
Galena Park, City of	\$ 1.03745	\$ 1.03745	\$ 1.04745	\$ 1.04745
Houston, City of	0.58642	0.60112	0.63108	0.63875
Jacinto City, City of	0.78355	0.78355	0.79991	0.79991
Counties:				
Harris Co	0.41656	0.41923	0.41731	0.41455
Municipal Utility Districts:				
Harris Co MUD #8	0.58250	0.58250	0.64000	0.68000
Harris Co MUD #53	0.66000	0.74000	0.81000	0.88000
Harris Co MUD #285	0.74000	0.81000	0.90000	0.96000
Water Control and Improvement Districts:				
Harris Co WC&ID #36	0.35000	0.35000	0.35000	0.33000
Port of Houston Authority	0.01334	0.01342	0.01531	0.01716
Other Governmental Entities:				
Harris Co Dept of Education	0.00520	0.00542	0.00600	0.00636
Harris Co Flood Control District	0.02829	0.02733	0.02736	0.02827
Harris Co FWSD #51	0.25700	0.28200	0.30000	0.33000
San Jacinto Community College District	0.18238	0.17578	0.18560	0.18560
District Direct Rates:				
Maintenance and Operations	1.24330	1.24330	1.24330	1.24330
Debt Service	0.32000	0.27010	0.27010	0.27010
Total District Direct Rates	<u>\$ 1.56330</u>	<u>\$ 1.51340</u>	<u>\$ 1.51340</u>	<u>\$ 1.51340</u>

Source: Harris County Appraisal District

Table 7

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1.05745	\$ 1.03745	\$ 1.03745	\$ 1.03745	\$ 1.03745	\$ 1.04745
0.63875	0.63875	0.63875	0.63875	0.63875	0.64500
0.76612	0.79593	0.80153	0.72107	0.66147	0.67175
0.40021	0.39117	0.38805	0.39224	0.38923	0.39239
0.68000	0.56500	0.54250	0.52750	0.47000	0.49000
0.91000	0.87500	0.82500	0.79500	0.79500	0.81500
0.98000	0.94500	0.93000	0.93000	0.90000	0.90000
0.31000	0.29000	0.29000	0.28000	0.28000	0.28000
0.01952	0.01856	0.02054	0.01640	0.01770	0.01440
0.00662	0.00658	0.06581	0.06050	0.05840	0.05850
0.02809	0.02809	0.02923	0.02920	0.03090	0.03110
0.34500	0.34000	0.32000	0.02922	0.03086	0.03060
0.18560	0.18560	0.17628	0.17080	0.16341	0.14536
1.24330	1.18340	1.18340	1.18340	1.18340	1.18340
0.27010	0.33000	0.33000	0.29500	0.27250	0.24750
<u>\$ 1.51340</u>	<u>\$ 1.51340</u>	<u>\$ 1.51340</u>	<u>\$ 1.47840</u>	<u>\$ 1.45590</u>	<u>\$ 1.43090</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
 August 31, 2017

Table 8

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Helmerich & Payne	\$ 397,282,275	1	4.87%	\$ 135,141,492	2	2.81%
Higman Barge Lines Inc (FKA Maryland Ma	349,405,094	2	4.28%	Not Available		
Kinder Morgan Crude	271,634,445	3	3.33%	Not Available		
Epik Terminaling	264,527,091	4	3.24%	Not Available		
Oiltanking Houston Inc	217,428,216	5	2.66%	107,998,711	4	2.24%
Magellan Terminal Holdings	192,829,614	6	2.36%	Not Available		
Oiltanking Houston LP	185,746,551	7	2.28%	Not Available		
Houston Fuel Co	174,808,439	8	2.14%	73,769,446	8	1.53%
Chevron Chem CO	144,156,670	9	1.77%	115,007,083	3	2.39%
Targa Midstream	134,978,521	10	1.65%	Not Available		
GE Packaged Power LP	Not Available			303,763,179	1	6.31%
Shell Oil Co	Not Available			95,943,794	5	1.99%
Magellan Terminal Holdings	Not Available			80,014,175	6	1.66%
GB Biosciences Corp	Not Available			74,104,484	7	1.54%
Stolt Nielsen Inc	Not Available			61,531,875	9	1.28%
Equistar Chemicals LP	Not Available			59,910,459	10	1.24%
	<u>\$ 2,332,796,916</u>		<u>28.58%</u>	<u>\$ 784,378,854</u>		<u>22.98%</u>

Source: District Records

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

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
2008	\$ 68,837,875	\$ 67,634,905	98.25%	\$ 1,060,207	\$ 68,695,112	99.79%
2009	78,883,736	77,745,766	98.56%	936,194	78,681,960	99.74%
2010	83,041,261	81,391,301	98.01%	1,428,197	82,819,498	99.73%
2011	82,307,474	81,347,725	98.83%	766,031	82,113,756	99.76%
2012	81,225,122	80,669,815	99.32%	364,314	81,034,129	99.76%
2013	95,275,289	94,771,892	99.47%	143,890	94,915,782	99.62%
2014	100,714,962	100,810,877	100.10%	(535,986)	100,274,891	99.56%
2015	110,736,112	109,459,347	98.85%	826,311	110,285,658	99.59%
2016	122,667,996	121,009,127	98.65%	652,879	121,662,006	99.18%
2017	126,984,745	124,665,857	98.17%		124,665,857	98.17%

(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			
2008	\$ 280,785,391	\$ 7,231,985	\$ 288,017,376	5.88%	\$ 12,872
2009	273,992,265	6,500,466	280,492,731	5.05%	13,642
2010	283,991,592	5,768,947	289,760,539	5.13%	13,275
2011	277,026,865	5,037,428	282,064,293	4.98%	13,598
2012	269,248,264	4,305,909	273,554,173	4.99%	12,533
2013	260,208,967	3,574,390	263,783,357	4.11%	12,017
2014	252,892,055	2,842,871	255,734,926	3.75%	11,251
2015	236,617,958	2,111,352	238,729,310	3.16%	10,391
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

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)
2008	\$ 280,785,391	\$ 3,193,333	\$277,592,058	5.76%	\$ 13,193
2009	273,992,265	3,976,978	270,015,287	4.94%	12,732
2010	283,991,592	4,232,268	279,759,324	4.96%	13,067
2011	277,026,865	4,973,571	272,053,294	4.95%	12,620
2012	269,248,264	7,386,838	261,861,426	4.83%	12,023
2013	260,208,967	8,942,426	251,266,541	3.95%	11,415
2014	252,892,055	10,043,759	242,848,296	3.60%	10,786
2015	236,617,958	4,024,630	232,593,328	3.13%	10,274
2016	226,885,674	7,539,501	219,346,173	2.69%	9,744
2017	306,325,778	8,430,836	297,894,942	3.65%	13,075

(1) See Table 6 for assessed value information.

(2) See Table 17 for student enrollment.

(This page intentionally left blank.)

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
For the Year Ended August 31, 2017

Table 12

Governmental Unit	Net Debt		Percentage Overlapping	Amount of Overlapping Debt
	Amount	As Of		
Cities:				
Galena Park	\$ 459,260	09/30/16	100.00%	\$ 459,260
Houston	2,731,150,000	04/30/17	0.32%	8,739,680
Jacinto City	964,117	09/30/12	34.59%	333,488
Counties:				
Harris	2,054,826,837	02/29/16	1.89%	38,836,227
Municipal Utility Districts:				
Harris Co. MUD 8	3,385,362	06/30/16	100.00%	3,385,362
Harris Co. MUD 53	16,027,512	11/08/16	27.20%	4,359,483
Harris Co. MUD 285	48,073,639	06/30/16	69.67%	33,492,904
Water Control and Improvement Districts				
Harris Co. WC&ID 36	12,064,767	06/30/16	100.00%	12,064,767
Port of Houston Authority	632,416,397	12/31/15	1.89%	11,952,670
Other Governmental Entities:				
Harris County Department of Education	6,780,000	04/30/17	1.89%	128,142
Harris County Flood Control District	78,841,017	02/29/16	1.89%	1,490,095
Harris Co. FWSD 47	5,839,372	09/30/16	22.50%	1,313,859
Harris Co. FWSD 51	10,507,864	06/30/16	100.00%	10,507,864
Harris County Hospital District	61,595,000	04/30/17	1.89%	1,164,146
Harris County Toll Road Authority	-	02/29/16	1.89%	-
San Jacinto Community College District	394,444,977	04/30/17	16.18%	63,821,197
	Subtotal, overlapping debt			192,049,144
	Galena Park Independent School District Direct Debt			307,360,653
	Total Direct and Overlapping Debt			\$ 499,409,797

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Galena Park Independent School District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt, of each overlapping government.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 1,021,936,312	\$ 1,030,578,622	\$ 968,388,190	\$ 888,794,715
Less: Total Net Debt Applicable to Limit	<u>237,832,528</u>	<u>161,102,136</u>	<u>177,003,817</u>	<u>191,581,929</u>
Legal Debt Margin	<u>\$ 784,103,784</u>	<u>\$ 869,476,486</u>	<u>\$ 791,384,373</u>	<u>\$ 697,212,786</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	23.27%	15.63%	18.28%	21.56%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Taxable Value	\$ 8,161,446,159
Add back:	
Exempt Real Property	<u>2,057,916,965</u>
Total Assessed Value	<u>\$ 10,219,363,124</u>
Debt Limit (10% of total assessed value)	\$ 1,021,936,312
Debt Applicable to Limit:	
Schoolhouse and Refunding Bonds	\$ 246,263,364
Less: Amount set aside for repayment of bonds	<u>(8,430,836)</u>
Total Net Debt Applicable to Limit	<u>\$ 237,832,528</u>
Legal Debt Margin	<u>\$ 784,103,784</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.

Table 13

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 836,469,211	\$ 732,506,483	\$ 626,711,874	\$ 732,506,483	\$ 713,525,479	\$ 626,711,874
<u>200,567,976</u>	<u>211,902,613</u>	<u>235,156,283</u>	<u>225,458,448</u>	<u>208,897,720</u>	<u>193,614,917</u>
<u>\$ 635,901,235</u>	<u>\$ 499,406,933</u>	<u>\$ 487,790,549</u>	<u>\$ 391,555,591</u>	<u>\$ 336,702,891</u>	<u>\$ 298,636,088</u>
23.98%	30.96%	31.82%	31.64%	37.52%	40.11%

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)
2008	20,499	\$ 1,337,559,065	\$ 65,250	Not Available	\$ 47,788	5.2%
2009	20,526	1,396,707,548	68,046	Not Available	Not Available	8.2%
2010	20,536	1,263,129,320	61,508	Not Available	Not Available	8.6%
2011	20,534	1,193,407,476	58,119	34,430	Not Available	8.1%
2012	20,572	1,150,278,910	55,915	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%

(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
For the Year Ended August 31, 2017

Table 15

Taxpayer	2017			2008 ⁽¹⁾		
	Employees	Rank	Percentage of Principal Employers	Employees	Rank	Percentage of Principal Employers
Galena Park Independent School District	3,153	1	46.46%			
East Houston Regional Hospital	1,300	2	19.16%			
Walmart	811	3	11.95%			
Chevron	400	4	5.89%			
Shell Oil Products	225	5	3.32%			
Lowe's	208	6	3.07%			
Sams Club East Freeway	200	7	2.95%			
United States Gypsum Co	190	8	2.80%			
Home Depot	175	9	2.58%			
National Oilwell Varco	124	10	1.83%			
	<u>6,786</u>		<u>100.00%</u>			

⁽¹⁾ Information not readily available.

Source: District records or managerial contact for referenced Employer.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Professional Staff				
Teachers	1,401	1,410	1,380	1,473
Professional Support	393	401	380	263
Campus Administration	78	80	77	76
Central Administration	57	51	47	51
Education Aides	245	204	223	177
Auxiliary Staff	<u>980</u>	<u>794</u>	<u>870</u>	<u>918</u>
Total	<u>3,153</u>	<u>2,940</u>	<u>2,977</u>	<u>2,958</u>

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

Table 16

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,480	1,492	1,537	1,573	1,520	1,545
297	270	307	274	285	227
69	65	74	70	72	75
11	35	29	34	27	29
127	98	134	167	141	146
<u>956</u>	<u>1,014</u>	<u>1,023</u>	<u>976</u>	<u>976</u>	<u>950</u>
<u>2,940</u>	<u>2,974</u>	<u>3,094</u>	<u>3,021</u>	<u>2,972</u>	<u>2,943</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

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
2008	19,585	\$ 179,731,510	\$ 9,177	\$ 203,073,499	\$ 10,369
2009	19,780	190,801,402	9,646	213,781,703	10,808
2010	19,830	205,022,286	10,339	229,016,610	11,549
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	231,642,124	10,934	260,630,662	12,303

Source: District Records

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

Table 17

District Employees				Final Enrollment	Percentage Increase in Enrollment	Student / Teacher Ratio	Students Participating in Free/Reduced Lunch Program
Teachers	Professionals	Other	Total				
1,545	331	1,096	2,943	21,041	-0.66%	14	16,042
1,520	384	1,117	2,972	21,208	0.79%	14	17,983
1,573	379	1,142	3,021	21,409	0.95%	14	17,761
1,537	410	1,157	3,094	21,557	0.69%	14	16,842
1,492	370	1,112	2,974	21,780	1.03%	15	17,216
1,480	297	1,163	2,940	22,012	1.07%	15	18,220
1,473	263	1,222	2,958	22,515	2.29%	15	18,055
1,380	380	1,217	2,977	22,639	0.55%	16	18,075
1,410	401	1,129	2,940	22,511	-0.57%	16	17,919
1,401	393	1,359	3,153	22,784	1.21%	16	18,263

(This page intentionally left blank.)

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)
2008	\$ 41,000	\$ 64,925	\$ 46,179
2009	43,000	67,475	47,159
2010	44,500	69,525	48,263
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

(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

Building:	Year Built	2017	2016	2015	2014
HIGH SCHOOLS					
Galena Park	1950				
Square Footage		277,914	277,914	277,914	277,914
Additions					
Revised Sq Ft		<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>
Capacity (see note #1)		1,869	1,869	1,869	1,869
Enrollment		2,051	2,062	1,967	2,025
North Shore West	1954				
Square Footage		390,876	390,876	390,876	390,876
Additions					
Revised Sq Ft		<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>
Capacity (see note #1)		1,678	1,678	1,678	1,678
Enrollment		1,251	1,185	1,184	1,036
North Shore East (see note #3)	1956				
Square Footage		120,555	120,555	120,555	120,555
Additions					
Revised Sq Ft		<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>
Capacity (see note #1)		1,134	1,134	1,134	1,134
Enrollment (see note #2)					
North Shore Senior High	1998				
Square Footage		492,913	492,913	492,913	492,913
Additions					
Revised Sq Ft		<u>492,913</u>	<u>492,913</u>	<u>492,913</u>	<u>492,913</u>
Capacity (see note #1)		3,384	3,384	3,384	3,384
Enrollment		3,590	3,468	3,373	3,257
Sub-Total Sq Ft. High Schools		<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>
 MIDDLE SCHOOLS					
Galena Park	1993				
Square Footage		149,394	149,394	149,394	149,394
Additions					
Revised Sq Ft		<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>
Capacity (see note #1)		1,106	1,106	1,106	1,106
Enrollment		1,024	999	971	1,039
North Shore	1993				
Square Footage		216,836	216,836	216,836	216,836
Additions					
Revised Sq Ft		<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>
Capacity (see note #1)		1,449	1,449	1,449	1,449
Enrollment		1,398	1,396	1,365	1,344

Table 19
Page 1 of 5

2013	2012	2011	2010	2009	2008
277,914	277,914	277,914	277,914	277,914	277,914
<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>
1,869	1,869	1,869	1,869	1,869	1,869
1,915	1,867	1,733	1,857	1,800	1,748
390,876	390,876	390,876	390,876	390,876	390,876
<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>
1,678	1,678	1,678	1,678	1,678	1,678
1,156	1,122	1,193	1,135	1,087	2,150
120,555	120,555	120,555	120,555	120,555	120,555
<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>
1,134	1,134	1,134	1,134	1,134	1,134
492,913	492,913	492,913	492,913	492,913	356,213
					136,700
<u>492,913</u>	<u>492,913</u>	<u>492,913</u>	<u>492,913</u>	<u>492,913</u>	<u>492,913</u>
3,384	3,384	3,384	3,384	3,384	3,384
3,319	3,322	3,241	3,052	2,967	1,851
<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>
149,394	149,394	149,394	149,394	149,394	149,394
<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>
1,106	1,106	1,106	1,106	1,106	1,106
1,052	1,072	1,060	1,002	1,003	932
216,836	216,836	216,836	216,836	216,836	216,836
<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>
1,449	1,449	1,449	1,449	1,449	1,449
1,310	1,269	1,324	1,304	1,357	1,406

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

Building:	Year Built	2017	2016	2015	2014
MIDDLE SCHOOLS (continued)					
Woodland Acres	1947				
Square Footage		97,086	97,086	97,086	97,086
Additions					
Revised Sq Ft		<u>97,086</u>	<u>97,086</u>	<u>97,086</u>	<u>97,086</u>
Capacity (see note #1)		659	659	659	659
Enrollment		542	523	517	459
Cunningham	1981				
Square Footage		167,234	167,234	167,234	167,234
Additions					
Revised Sq Ft		<u>167,234</u>	<u>167,234</u>	<u>167,234</u>	<u>167,234</u>
Capacity (see note #1)		1,123	1,123	1,123	1,123
Enrollment		958	945	945	998
Cobb 6th Grade Campus	2000				
Square Footage		130,893	130,893	130,893	130,893
Additions					
Revised Sq Ft		<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>
Capacity (see note #1)		1,240	1,240	1,240	1,240
Enrollment		1,168	1,167	1,157	1,063
Sub-Total Sq Ft. Middle Schools		<u>761,443</u>	<u>761,443</u>	<u>761,443</u>	<u>761,443</u>
ELEMENTARY SCHOOLS					
Cimarron	1954				
Square Footage		90,123	90,123	90,123	90,123
Additions					
Revised Sq Ft		<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>
Capacity (see note #1)		1,034	1,034	1,034	1,034
Enrollment		799	799	791	833
Cloverleaf	1942				
Square Footage		89,346	89,346	89,346	89,346
Additions					
Revised Sq Ft		<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>
Capacity (see note #1)		1,048	1,048	1,048	1,048
Enrollment		805	831	812	871
Galena Park	1936				
Square Footage		79,396	79,396	79,396	79,396
Additions					
Revised Sq Ft		<u>79,396</u>	<u>79,396</u>	<u>79,396</u>	<u>79,396</u>
Capacity (see note #1)		700	700	700	700
Enrollment		622	644	628	671

Table 19
Page 2 of 5

2013	2012	2011	2010	2009	2008
97,086	97,086	97,086	97,086	97,086	88,244
					8,842
<u>97,086</u>	<u>97,086</u>	<u>97,086</u>	<u>97,086</u>	<u>97,086</u>	<u>97,086</u>
659	659	659	659	659	659
458	472	487	509	487	479
167,234	167,234	167,234	162,765	162,765	162,765
<u>167,234</u>	<u>167,234</u>	<u>167,234</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>
1,123	1,123	1,123	1,047	1,047	1,047
887	913	907	932	888	819
130,893	130,893	130,893	130,893	130,893	130,893
<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>
1,240	1,240	1,240	1,240	1,240	1,240
1,155	1,162	1,009	1,066	1,098	1,107
<u>761,443</u>	<u>761,443</u>	<u>761,443</u>	<u>756,974</u>	<u>756,974</u>	<u>756,974</u>
90,123	90,123	90,123	90,123	90,123	90,123
<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>
1,034	1,034	1,034	1,034	1,034	1,034
809	810	807	855	880	925
89,346	89,346	89,346	89,346	89,346	89,346
<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>
1,048	1,048	1,048	1,048	1,048	1,048
845	804	836	777	779	767
79,396	79,396	79,396	79,396	79,396	64,348
					15,048
<u>79,396</u>	<u>79,396</u>	<u>79,396</u>	<u>79,396</u>	<u>79,396</u>	<u>79,396</u>
700	700	700	700	700	700
670	655	667	643	649	619

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

Building:	Year Built	2017	2016	2015	2014
ELEMENTARY SCHOOLS (continued)					
Green Valley	1958				
Square Footage		96,041	96,041	96,041	96,041
Additions					
Revised Sq Ft		<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>
Capacity (see note #1)		988	988	988	988
Enrollment		780	806	765	720
Jacinto City	1943				
Square Footage		95,554	95,554	95,554	95,554
Additions					
Revised Sq Ft		<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>
Capacity (see note #1)		864	864	864	864
Enrollment		791	827	823	828
MacArthur	1951				
Square Footage		88,864	88,864	88,864	88,864
Additions					
Revised Sq Ft		<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>
Capacity (see note #1)		790	790	790	790
Enrollment		711	707	696	721
North Shore	1961				
Square Footage		88,789	88,789	88,789	88,789
Additions					
Revised Sq Ft		<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>
Capacity (see note #1)		920	920	920	920
Enrollment		995	987	959	915
Pyburn	1952				
Square Footage		73,654	73,654	73,654	73,654
Additions					
Revised Sq Ft		<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>
Capacity (see note #1)		720	720	720	720
Enrollment		642	649	633	681
Woodland Acres	1954				
Square Footage		62,010	62,010	62,010	62,010
Additions					
Revised Sq Ft		<u>62,010</u>	<u>62,010</u>	<u>62,010</u>	<u>62,010</u>
Capacity (see note #1)		499	499	499	499
Enrollment		459	438	437	419

Table 19
Page 3 of 5

2013	2012	2011	2010	2009	2008
96,041	96,041	96,041	96,041	96,041	96,041
<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>
988	988	988	988	988	988
701	679	669	621	626	635
95,554	95,554	95,554	95,554	95,554	95,554
<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>
864	864	864	864	864	864
860	792	822	796	817	823
88,864	88,864	88,864	88,864	88,864	88,864
<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>
790	790	790	790	790	790
730	726	735	780	792	776
88,789	88,789	88,789	88,789	88,789	88,789
<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>
920	920	920	920	920	920
912	885	854	878	851	783
73,654	73,654	73,654	73,654	73,654	73,654
<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>
720	720	720	720	720	720
683	652	623	644	640	645
62,010	62,010	62,010	62,010	62,010	62,010
<u>62,010</u>	<u>62,010</u>	<u>62,010</u>	<u>62,010</u>	<u>62,010</u>	<u>62,010</u>
499	499	499	499	499	499
422	426	453	444	444	433

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

Building:	Year Built	2017	2016	2015	2014
ELEMENTARY SCHOOLS (continued)					
Tice	1981				
Square Footage		80,680	80,680	80,680	80,680
Additions					
Revised Sq Ft		<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>
Capacity (see note #1)		792	792	792	792
Enrollment		714	700	690	733
Purple Sage	1990				
Square Footage		92,795	92,795	92,795	92,795
Additions					
Revised Sq Ft		<u>92,795</u>	<u>92,795</u>	<u>92,795</u>	<u>92,795</u>
Capacity (see note #1)		747	747	747	747
Enrollment		596	568	560	503
Havard	2000				
Square Footage		102,713	102,713	102,713	102,713
Additions					
Revised Sq Ft		<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>
Capacity (see note #1)		890	890	890	890
Enrollment		700	682	696	679
Normandy Crossing	2004				
Square Footage		106,800	106,800	106,800	106,800
Additions					
Revised Sq Ft		<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>
Capacity (see note #1)		777	777	777	777
Enrollment		668	643	630	652
Shirley J Williamson	2003				
Square Footage		105,000	105,000	105,000	105,000
Additions					
Revised Sq Ft		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
Capacity (see note #1)		797	797	797	797
Enrollment		628	641	621	698
Sam Houston	2007				
Square Footage		105,000	105,000	105,000	105,000
Additions					
Revised Sq Ft		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
Capacity (see note #1)		880	880	880	880
Enrollment		854	869	848	863
Sub-Total Sq Ft. Elementary Schools		<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>

Table 19
Page 4 of 5

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
80,680	80,680	80,680	80,680	80,680	80,680
<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>
792	792	792	792	792	792
707	675	637	637	664	648
92,795	92,795	92,795	92,795	84,495	84,495
<u>92,795</u>	<u>92,795</u>	<u>92,795</u>	<u>92,795</u>	<u>8,300</u>	<u>84,495</u>
747	747	747	747	747	747
512	572	594	591	576	611
102,713	102,713	102,713	102,713	102,713	102,713
<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>
890	890	890	890	890	890
674	684	665	675	659	698
106,800	106,800	106,800	106,800	106,800	106,800
<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>
777	777	777	777	777	777
609	649	627	655	636	688
105,000	105,000	105,000	105,000	105,000	105,000
<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
797	797	797	797	797	797
686	575	542	551	560	515
105,000	105,000	105,000	105,000	105,000	105,000
<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
880	880	880	880	880	880
826	827	845	813	778	790
<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>	<u>1,348,465</u>

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

Building:	Year Built	2017	2016	2015	2014
OTHER CAMPUSES					
Becker Early Head Start					
Square Footage		9,295	9,295	9,295	9,295
Additions					
Revised Sq Ft		<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>
Capacity		64	64	64	64
Enrollment		64	64	64	64
PEP Center	2007				
Square Footage		9,651	9,651	9,651	9,651
Additions					
Revised Sq Ft		<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>
Capacity		48	48	48	48
Enrollment		48	48	48	48
Sub-Total Sq Ft. Other Campuses		<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>
OTHER FACILITIES					
ACT Clinic	2008				
Square Footage		3,100	3,100	3,100	3,100
Administration Building	2001				
Square Footage		81,000	81,000	81,000	81,000
Facilities & Planning/Warehouse					
Square Footage		18,456	18,456	18,456	18,456
Grounds Maintenance Dept.					
Square Footage		5,670	5,670	5,670	5,670
FFA Agricultural Facility	2002				
Square Footage		28,880	28,880	28,880	28,880
South Annex	1944				
Square Footage		5,603	5,603	5,603	5,603
Maintenance Facility	1950				
Square Footage		22,154	22,154	22,154	22,154
Stadium/Natorium	2002				
Square Footage		44,519	44,519	44,519	44,519
Transportation Department	2001				
Square Footage		17,700	17,700	17,700	17,700
Athletics Office	2002				
Square Footage		10,669	10,669	10,669	10,669
North Annex					
Square Footage		<u>2,250</u>	<u>2,250</u>	<u>2,250</u>	<u>2,250</u>
Sub-Total Sq Ft. Other Facilities		<u>240,001</u>	<u>240,001</u>	<u>240,001</u>	<u>240,001</u>
GRAND TOTAL		<u>3,659,413</u>	<u>3,659,413</u>	<u>3,659,413</u>	<u>3,659,413</u>

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

Table 19
Page 5 of 5

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
9,295	9,295	9,295	9,295	9,295	9,295
<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>
64	64	64	64	64	64
64	64	64	64	64	64
9,651	9,651	9,651	9,651	9,651	9,651
<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>
48	48	48	48	48	48
48	48	48	48	48	48
<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>
3,100	3,100	3,100	3,100	3,100	3,100
81,000	81,000	81,000	81,000	81,000	81,000
18,456	18,456	17,006	17,006	17,006	17,006
5,670	5,670	5,670	5,670	5,670	5,670
28,880	28,880	28,880	28,880	28,880	28,880
5,603	5,603	5,603	5,603	5,603	5,603
22,154	22,954	22,954	22,954	22,954	22,954
44,519	44,519	44,519	44,519	44,519	44,519
17,700	17,700	17,700	17,700	17,700	17,700
10,669	10,669	10,669	10,669	10,669	10,669
2,250					
<u>240,001</u>	<u>238,551</u>	<u>237,101</u>	<u>237,101</u>	<u>237,101</u>	<u>237,101</u>
<u>3,659,413</u>	<u>3,657,963</u>	<u>3,656,513</u>	<u>3,652,044</u>	<u>3,652,044</u>	<u>3,643,744</u>

(This page intentionally left blank.)

DO NOT PRINT IN REPORT

Schedule L-1 – Required Responses to Selected School FIRST Indicators

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$58,220,225
SF11	Net Pension Assets (1920) at fiscal year-end.	\$0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$56,068,678
SF13	Pension Expense (6147) at fiscal year-end.	