GALENA PARK

Independent School District

Comprehensive Annual Financial Report

For The Year Ended August 31, 2018

Galena Park Independent School District * 14705 Woodforest Blvd. * Houston, Texas 77015

Comprehensive
Annual Financial Report

For the Fiscal Year Ended
August 31, 2018

GALENA PARK INDEPENDENT SCHOOL DISTRICT

14705 Woodforest Blvd., Houston, Texas 77015

Prepared By the Business Services Department:

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Deputy Superintendent for Operational Support/Chief Financial Officer

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Assistant Superintendent for Business Services

Ida A. Schultze, CPA, RTSBA
Executive Director for Budget & Financial Services

GALENA PARK INDEPENDENT SCHOOL DISTRICT
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INTRODUCTORY SECTION

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
Principal Officials and Advisors

Board of Trustees

Name	Office	Term Expires	Length of Service	Occupation
Wanda Heath Johnson	President	2021	13 years	Retired
Wilfred J. Broussard, Jr.	Vice-President	2020	10 years	Real Estate Broker
Ramon Garza	Secretary	2019	8 years	Insurance Agent
Jeff Miller	Board Member	2019	21 years	Independent Insurance Agent
Dawn Thompson Fisher	Board Member	2020	16 years	Legal Assistant
Minnie Rivera	Board Member	2020	7 years	Retired
Adrian Stephens	Board Member	2021	1 year	Sales

Administrative Officials

Name	Position	Length of Service
Dr. Angi Williams	Superintendent	33 years
Kenneth Wallace	Deputy Superintendent for Educational Support	18 years
Sonya George, CPA	Deputy Superintendent for Operational Support/Chief Financial Officer	7 years
Elizabeth Lalor	Associate Superintendent for Educational and Academic Support	27 years
Dr. John Moore	Associate Superintendent for Operational Support	27 years
Dina Edgar	Assistant Superintendent for Business Services	1 year
Terri Moore	Assistant Superintendent for Communication Services	27 years
Dr. Wanna Giacona	Assistant Superintendent for Human Resource Services	24 years
Dr. David Harris	Assistant Superintendent for School Administration	1 year
Dr. Mechelle Epps	Assistant Superintendent for Student Support Services	21 years

Consultants and Advisors

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

CERTIFICATE OF BOARD

Galena Park Independent School District	Harris	101-910
Name of School District	County	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, 2018, at a meeting of the board of trustees of such school district on January 14, 2019

Wanda Heath Johnson
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, 2019

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, 2018.

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, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the District's financial statements for the period ended August 31, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the District

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

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

The District's 15 elementary schools, 5 middle schools, 2 high schools, 1 early college high school, and 1 alternative high school campuses are well-known for innovative programs and academic accomplishments. At present there are no charter schools in the District. The District educates children from diverse backgrounds. The student body reflects the cultural diversity of Texas. Of the approximately 22,600 students enrolled, 79% are Hispanic, 15% are African American, 4% are White, and 2% identify themselves as Asian/Pacific Islander, American Indian or of more than one ethnicity. The District expects stable enrollment with little fluctuation over the next several years.

In 2018, the District opened three replacement campuses, Galena Park Elementary, North Shore Elementary, and Woodland Acres Elementary, as well as a North Shore Senior High 10th Grade Center addition. There are a number of active construction projects currently underway, consisting of additions to Galena Park High School, and replacement campuses for Cloverleaf Elementary, Jacinto City Elementary, and Pyburn Elementary. Note 4 in the Notes to the Financial Statements discusses these projects and the value of construction in progress. When these projects are completed, six of the oldest campuses will have been completely replaced, and significant additions made to two high schools. The age of school buildings ranges from newly constructed to 76 years old. Table 19 in the Statistical Section lists the opening date of each building, in addition to the square footage, enrollment, and capacity.

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

The District maintains budgetary controls throughout its financial systems. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official appropriations budget at the functional expenditure level for the general fund, debt service fund and the food service program included in the special revenue fund. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are treated as assigned fund balance and are recorded as expenditures in the subsequent year upon receipt of the goods and services.

Factors Affecting Financial Condition

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

Local Economy. The District is located in the heart of the Houston Ship Channel industrial area, and the majority of the labor force is employed at nearby chemical plants and oil refineries. The Houston Ship Channel is located just south of the District boundary, and many residents are employed in the industrial area surrounding the Channel. The Port of Houston is one of the largest ports in the world in terms of foreign waterborne tonnage and total tonnage. Each year, more than 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 1.2 million jobs throughout Texas are directly and indirectly related to the diverse global trade and commerce activities at the port. In addition, the port generates nearly $264.9 billion of economic activity in Texas each year and more than $617 billion in economic impact across the nation. Additionally, more than $5 billion in state and local tax revenues are generated by business activities related to the port. Port Houston's economic activity has allowed Texas to remain the leading exporting state for the past sixteen consecutive years.

Economic Outlook. Houston's energy, healthcare, transportation and distribution sectors have historically supported a continuous growth in the District's tax base. The Houston area economy has seen a steady rebound in oil and gas prices over the past year, and despite ongoing global events that could derail trade, over 215.6 million metric tons in goods and commodities passed through Houston-Galveston Customs during the first nine months of 2018, which represents a 10% increase over the same period in the prior year. All indicators point toward continued growth in the near future.

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 10%-15% of the current budget, while the debt service fund is defined as 15% of the current year debt service requirements. In the current fiscal year, the general fund unassigned fund balance was $96 million, or 46% of the operating budget. A strong fund balance also allows the district to receive an underlying, unenhanced rating, including the Bonds, of Aa2" by Moody's Investors Service, Inc. and "AA+" by Fitch Ratings, Inc.

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 2017-18 school year across multiple disciplines organizationally. GPISD band and choirs received a record number of awards at UIL Concert and Sight-reading events. Our two high schools and four middle schools entered thirty choirs and sixteen band competitions and brought home seven First Division plaques and twenty-seven Sweepstakes trophies. The District received the School Safety Center's Safety Certification this past year, a distinction earned by only ten percent of school districts across the state of Texas.

The TEA has awarded the District an "A=Superior" rating for the fiscal year ended August 31, 2017. This is the 16th 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 2016-17 school year and budgetary and actual financial data for the fiscal year ended August 31, 2017. The primary goal of School FIRST is to ensure quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system.

The District was ranked second among its 38 fiscal peer districts with a near perfect rating from the Texas Smart Schools organization. Texas Smart Schools uses academic, financial, and demographic data to identify school districts that produce high academic achievement while also maintaining cost-effective operations. GPISD's Smart Score demonstrated high academic progress with very low spending compared to its fiscal peers.

In February 2018, 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 fourth time. This award recognizes a district's achievement in implementing best practices in the area of purchasing.

The District expects to be recognized by the Association of School Business Officials International (ASBO) as a first year recipient of the ASBO International Meritorious Budget Award (MBA) for the 2017-18 Budget document after two years of receiving awards for the ASBO International's *Pathway* MBA program. The award recognizes excellence in school budget presentation.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2017.

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 seven consecutive years and the GFOA award for six 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 2018 certificate.

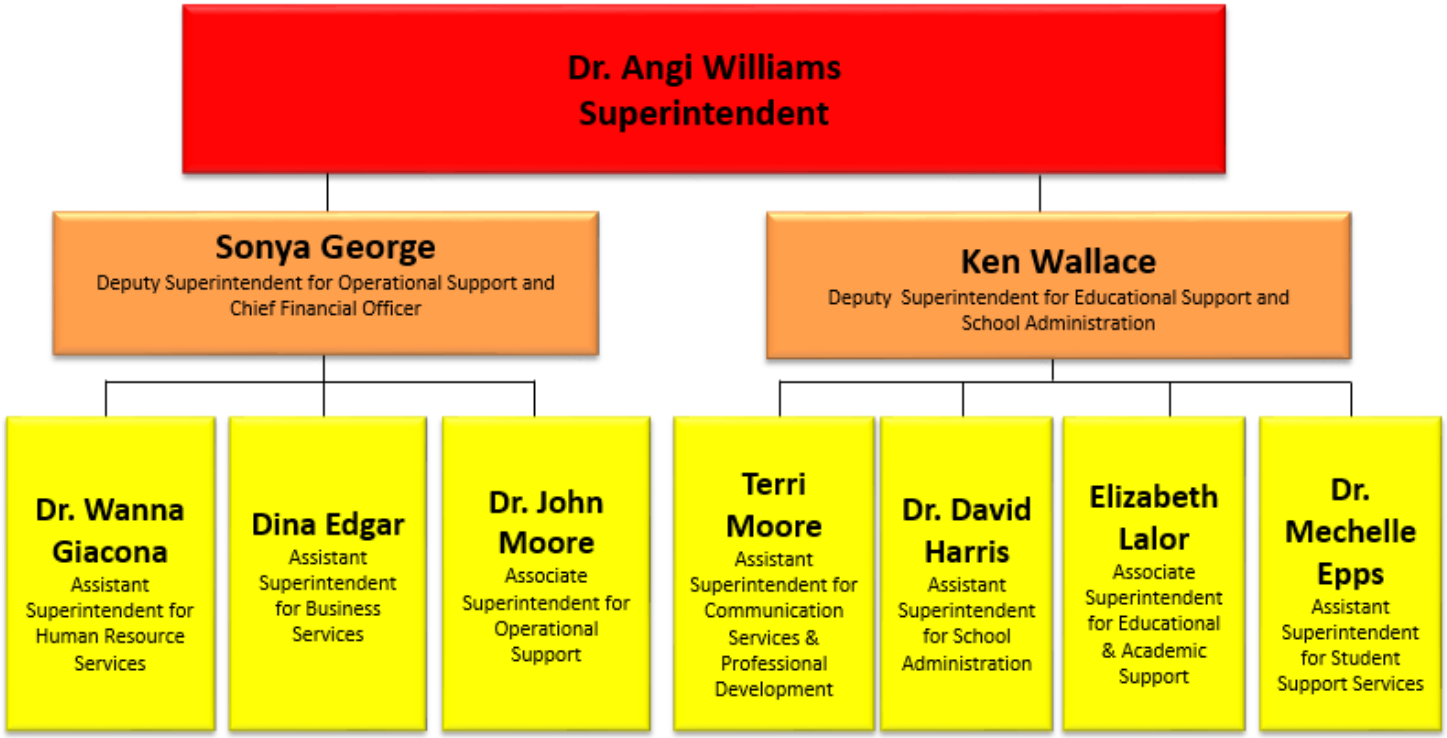
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. 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,

Angi Williams, Ed.D.
Superintendent of Schools

Sonya George
Chief Financial Officer

2017-2018
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, 2017

Christopher P. Morrill

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, 2017.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

FINANCIAL SECTION

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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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 1 and Note 14 to the financial statements, the District adopted the provisions of Government Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of August 31, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 16 and the budgetary comparison information, pension information, and other-post employment benefit information on pages 64 through 71 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) and other information, such as the introductory and statistical section, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2019, on our consideration of 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, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2018.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at August 31, 2018 by $41,277,067 (*net position*). This deficit is caused by the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* ("GASB No. 75") and reflecting the District's proportionate share of the other post-employment benefit liability in the financial statements. This change does not affect the financial stability of the District nor does it change how the District conducts its financial decision-making. Rather, the District is reflecting its portion of the liability that the State of Texas manages and operates. The District's total net position increased by $31,525,321 excluding the prior period adjustment which decreased net position by $141,324,184.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $240,470,808, an increase of $15,280,852 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 $5,824,054 and in the debt service fund balance of $2,765,144 related to the issuance of Unlimited Tax School Building and Refunding Bonds Series 2018, and due to an increase in the general fund balance of $7,304,053.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $94,042,578, or 45.2 percent of total general fund expenditures.

- The District's total bonded debt increased by $81,773,165 or 33 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).

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.

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 61 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 2018, the District implemented GASB Statements No. 75 and 85 which add required new schedules related to pensions. The required supplementary information can be found on pages 64 through 71 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 75 through 93 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $41,277,067 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 $74,968,166. 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

	2018	2017
Current and other assets	$ 275,731,515	$ 258,476,123
Capital assets	331,445,858	256,937,466
Total Assets	607,177,373	515,413,589
Deferred loss on refunding	2,256,334	2,877,064
Deferred outflows - pension	19,387,870	30,795,588
Deferred outflows - OPEB	1,336,477	963,565
Total Deferred Outflows of Resources	22,980,681	34,636,217
Current liabilities	26,369,622	23,945,289
Long term liabilities	521,335,605	507,063,251
Total Liabilities	547,705,227	531,008,540
Deferred inflows - pension	7,462,400	9,289,520
Deferred inflows - OPEB	33,713,360	-
Total Deferred Inflows of Resources	41,175,760	9,289,520
Net Position:		
Net investment in capital assets	74,968,166	77,029,615
Restricted	15,117,125	13,199,434
Unrestricted	(48,808,224)	(80,477,303)
Total Net Position	$ 41,277,067	$ 9,751,746

Net position of $15,117,125 is restricted for state, federal and local programs, and debt service.

The prior year governmental activities and total net position balances have been restated to reflect the implementation of GASB No. 75. The changes in total net position ($141.3 million) is the result of reductions in the benefit provisions of TRS-Care.

The balance of unrestricted net position may be used to meet the District's ongoing obligations to students and creditors. At the end of the current fiscal year, the District reports a deficit balance in unrestricted net position of $48,808,224 caused by the implementation of GASB No. 75, as mentioned before.

Galena Park Independent School District's Changes in Net Position

	2018	2017
Program Revenues		
Charges for services	$ 4,590,237	$ 4,524,800
Operating grants	4,022,067	41,428,025
General Revenues		
Property taxes	126,900,406	127,044,616
State aid	95,110,955	94,400,991
Grants and contributions not restricted	208,171	-
Interest earnings	4,561,526	2,446,240
Other	567,982	201,980
Total Revenues	235,961,344	270,046,652
Expenses		
Instruction	89,827,768	134,569,316
Instructional resources and media services	2,087,229	2,817,371
Curriculum and instructional staff development	3,917,357	5,961,598
Instructional leadership	4,294,280	6,087,473
School leadership	10,122,707	14,360,951
Guidance, counseling, and evaluation services	4,917,424	7,940,012
Social work services	957,290	904,579
Health services	1,218,718	1,884,102
Student transportation	6,699,179	8,491,227
Food services	14,918,286	13,964,364
Extracurricular activities	4,500,283	5,100,028
General administration	6,280,175	8,507,836
Facilities maintenance and operations	25,533,455	24,949,307
Security and monitoring services	2,481,646	2,488,235
Data processing services	3,534,658	3,805,769
Community services	1,153,291	1,635,714
Interest on long-term debt	13,201,974	12,766,645
Bond issuance costs and fees	148,891	1,757,777
Other facility costs	7,705,066	1,700,855
Payments to appraisal districts	936,346	937,503
Total Expenses	204,436,023	260,630,662
Increase (decrease) in net position	31,525,321	9,415,990
Beginning Net Position	9,751,746	142,042,494
Prior period adjustment/ change in accounting principle*	-	(141,706,738)
Ending Net Position	$ 41,277,067	$ 9,751,746

*Implementation of GASB No. 75 was effective at the beginning of the 2018 fiscal year. Changes for revenues and expenses prior to the implementation have not been calculated and are not available for comparison.

Governmental Activities

Governmental activities increased the District's net position by $31,525,321 for the year ended August 31, 2018 after the prior period adjustment. The total revenues from taxpayers, user service fees, grants and other sources for the District were $236.0 million, a $34.1 million decrease from fiscal year 2017. Total expenses for the 2018 fiscal year were $204.4 million or $56.2 million less than expenses of fiscal year 2017.

The dramatic change in activity from year to year is reflective of a negative adjustment brought about by the implementation of the new OPEB standards promulgated by the Government Accounting Standards Board (GASB) and significant changes in the benefits provided by the TRS retiree healthcare plan (TRS-Care). The reduction in plan benefits resulted in a sizable decrease in the District's Net OPEB Liability and a resulting negative OPEB expense of $65.9 million in accordance with newly implemented accounting standards. Under these standards, the District is also required to report what is essentially both negative on-behalf expenses and negative on-behalf revenues for the portion of the reduction in the OPEB liability that is the responsibility of the State, or an additional $38.9 million. See Note 14 to the financial statements for a reconciliation of functional expenses and revenues impacted by this accounting treatment.

Revenues for the District's governmental activities decreased by $34.1 million for the year ended August 31, 2018. The decrease is caused primarily by the reduction in operating grants and contributions revenues by $37.4 million due to the GASB No. 75 OPEB entries as discussed earlier. This decrease is partially offset by increased interest earnings, additional state aid, and other miscellaneous revenues

Approximately 54 percent of the District's revenues came from property taxes, with an additional 42 percent derived from state funding formulas and federal grants. Last fiscal year 47 percent of the District's revenues came from property taxes and 50 percent came from state funding formulas and federal grants.

Governmental Revenues by Type	**FY 2017**	**FY 2018 including Negative On-behalf Activities***	**Negative On-behalf Activities**	**FY 2018 excluding Negative On-behalf Activities**	**Variance****
Program Revenues:					
Charges for services	$ 4,524,800	$ 4,590,237	$ -	$ 4,590,237	$ 65,437
Operating grants and contributions	41,428,025	4,022,067	(38,933,817)	42,955,884	1,527,859
General Revenues:					
Property taxes	127,044,616	126,900,406	-	126,900,406	(144,210)
State and other grants	94,400,991	95,319,126	-	95,319,126	918,135
Other	2,648,220	5,129,508	-	5,129,508	2,481,288
Total Revenues	$ 270,046,652	$ 235,961,344	$ (38,933,817)	$ 274,895,161	$ 4,848,509

*as presented in Exhibit B-1

** variance represents the difference between FY 2017 and FY 2018 revenues excluding Negative On-behalf Activities

Expenses for the District's governmental activities decreased by $56.2 million for the year ended August 31, 2018. The majority of this decrease is the result of the GASB No. 75 OPEB entries as discussed earlier.

Over 50.1% of the District's expenses were expended for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 79.6% of the District's expenses were spent on direct student services.

Governmental Expenses by Type	FY 2017	FY 2018 including Negative On-behalf Activities*	Negative On-behalf Activities	FY 2018 excluding Negative On-behalf Activities	Variance**
Instructional	$ 143,348,285	$ 95,832,354	$ (26,050,618)	$ 121,882,972	$ (21,465,313)
Instructional leadership	20,448,424	14,416,987	(4,165,918)	18,582,905	(1,865,519)
Student support services	38,284,312	33,211,180	(4,010,183)	37,221,363	(1,062,949)
General administration	8,507,836	6,280,175	(1,448,338)	7,728,513	(779,323)
Support services	31,243,311	31,549,759	(3,036,837)	34,586,596	3,343,285
Community services	1,635,714	1,153,291	(179,096)	1,332,387	(303,327)
Interest expense	14,524,422	13,350,865	-	13,350,865	(1,173,557)
Other facility costs	1,700,855	7,705,066	(42,827)	7,747,893	6,047,038
Payments to appraisal district	937,503	936,346	-	936,346	(1,157)
Total Expenses	$ 260,630,662	$ 204,436,023	$ (38,933,817)	$ 243,369,840	$ (17,260,822)

*as presented in Exhibit B-1

** variance represents the difference between FY 2017 and FY 2018 expenses excluding Negative On-behalf Activities

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 $240,470,808, an increase of $15,280,852 in comparison with the prior year. The increase in ending governmental fund balances is due to increases in all major governmental funds: *general fund*, *debt service fund* and *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 $94,042,578, while total fund balance reached $153,104,931. 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 45.2 percent of total general fund expenditures, while total fund balance represents 73.7 percent of that same amount.

The increase in the general fund's fund balance of $7,304,053 was primarily due to the increase in property taxes due to higher appraisal values, and an increase in state and federal program revenues.

The *debt service fund* has a total fund balance of $11,195,980, 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 $2,765,144 was primarily due to the issuance of Unlimited Tax School Building and Refunding Bonds Series 2018.

The *capital projects fund* has a total fund balance of $72,179,567, all of which is restricted for the capital acquisition. The net increase in the capital projects fund balance during the current year of $5,824,054 was primarily due to the issuance of Unlimited Tax School Building and Refunding Bonds Series 2018.

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 $102,302, a decrease of $11,679 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 $8.27 million below final budgeted amounts. The positive variance was due to the positive variances in all expenditure accounts including instruction of $2.95 million, facilities, maintenance, and operations of $1.31 million, and other support services of $4.01 million.

Resources available were $0.77 million over the final budgeted amounts. This favorable variance was due to higher actual revenues than final budgets in state revenues of $0.52 million and in federal revenues of $0.63 million offset by a decreased collection of local sourced revenues of $0.38 million. The review of the final amended budget versus actual for the general fund reflected a positive budget variance in the amount of $9.16 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, 2018, amounts to $331,445,858 (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 $74,508,392. Changes in capital assets are shown below:

Galena Park Independent School District's Capital Assets

	Balance September 1, 2017	Additions	Retirements and Transfers	Balance August 31, 2018
Land	$ 19,175,604	$ 1,260,145	$ -	$ 20,435,749
Building and improvements	351,500,232	1,041,790	90,769,842	443,311,864
Furniture and equipment	27,197,048	1,888,686	(53,017)	29,032,717
Vehicles	13,496,507	1,284,198	(1,288,802)	13,491,903
Construction in progress	15,127,517	83,076,728	(94,290,533)	3,913,712
	426,496,908	88,551,547	(4,862,510)	510,185,945
Less accumulated depreciation for:				
Buildings and improvements	(147,110,577)	(8,527,100)	1,512,569	(154,125,108)
Furniture and equipment	(15,120,564)	(2,453,032)	45,182	(17,528,414)
Vehicle	(7,328,301)	(997,400)	1,239,136	(7,086,565)
	(169,559,442)	(11,977,532)	2,796,887	(178,740,087)
Governmental Capital Assets	$ 256,937,466	$ 76,574,015	$ (2,065,623)	$ 331,445,858

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

Long-term Liabilities

At the end of the current fiscal year, the District had $330,913,593 in bonded debt outstanding, an increase of $81,773,165 over the previous year due to the issuance of Unlimited Tax School Building and Refunding Bonds Series 2018. 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, 2018 are as follows:

Galena Park Independent School District's Long-term Liabilities

	Balance at August 31, 2017	Additions	Retirements	Balance at August 31, 2018
General obligation bonds	$ 233,395,032	$ 100,230,000	$ (28,089,523)	$ 305,535,509
Plus amounts for issuance premiums	14,710,521	11,422,026	(1,444,379)	24,688,168
Qualified zone academy bonds	1,034,875	-	(344,959)	689,916
Accreted interest on premium compound interest bonds	58,220,225	5,157,264	(3,695,477)	59,682,012
Accrued compensated absences	1,346,171	199,287	(190,397)	1,355,061
	$ 308,706,824	$ 117,008,577	$ (33,764,735)	$ 391,950,666

Additional information on the District's long-term liabilities can be found in Note 6 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 2018-19 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 2018-19:

- The tax rate for 2018-19 is $1.5733 with $1.2433 applicable to maintenance and operations and $0.3300 for debt service.

- Taxable values used for the 2018-19 adopted budget are expected to increase by approximately 5.05% above the 2017-18 levels. The budgeted property tax revenues were based on the certified taxable value of $8.7 billion with a 97.0% collection rate.

- The district's 2018-19 average daily attendance increased slightly from 2017-18 to 22,287.

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

Property values increased in the current year resulting in an increase in revenues available for appropriation for the current budget year. Amounts available for appropriation in the general fund are $216.9 million, an increase of $9.2 million from the previous year. Expenditures are budgeted to increase 1.1% to $214.9 million. The majority of the increase in budgeted expenditures was to fund payroll costs associated with new positions needed to support increasing special populations of students, opening of new campuses, an increase to the starting teacher pay schedule, and to fund a 2% general pay increase for teachers and all other staff. A surplus budget was adopted for 2018-19. If these budgetary estimates are realized the District's General Fund balance will increase $2.1 million by August 31, 2019.

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.

BASIC FINANCIAL STATEMENTS

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit A-1*

STATEMENT OF NET POSITION

August 31, 2018

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 256,941,890
1225	Property taxes receivables, net	9,548,285
1240	Due from other governments	6,453,321
1250	Accrued interest	208,710
1290	Other receivables, net	1,848,009
1300	Inventories	730,800
1490	Other current assets	500
	Capital assets not subject to depreciation:	
1510	Land	20,435,749
1580	Construction in progress	3,913,712
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	289,186,756
1530	Furniture and equipment, net	11,504,303
1531	Vehicles, net	6,405,338
1000	**Total Assets**	607,177,373
	Deferred Outflows of Resources	
1700	Deferred loss on refunding	2,256,334
1705	Deferred outflows - pension	19,387,870
1706	Deferred outflows - OPEB	1,336,477
	Total Deferred Outflows of Resources	22,980,681
	Liabilities	
2110	Accounts payable	13,962,312
2140	Interest payable	1,155,475
2150	Payroll deductions and withholdings	2,033,854
2160	Accrued wages payable	7,931,450
2180	Due to other governments	1,112,333
2300	Unearned revenue	174,198
	Noncurrent Liabilities:	
2501	Due within one year	17,815,562
2502	Due in more than one year	374,135,104
2540	Net pension liability	48,789,176
2545	Net other post-employment benefits (OPEB) obligation	80,595,763
2000	**Total Liabilities**	547,705,227
	Deferred Inflows of Resources	
2605	Deferred inflows - pension	7,462,400
2606	Deferred inflows - OPEB	33,713,360
	Total Deferred Inflows of Resources	41,175,760
	Net Position	
3200	Net investment in capital assets	74,968,166
	Restricted for:	
3820	Federal and state programs	3,010,661
3850	Debt service	12,106,464
3900	Unrestricted	(48,808,224)
3000	**Total Net Position**	$ 41,277,067

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit B-1*

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2018

Data Control Codes	Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
	Governmental activities:				
11	Instruction	$ 89,827,768	$ 1,048,802	$ (8,178,050)	$ (96,957,016)
12	Instructional resources and media services	2,087,229	39,018	(350,677)	(2,398,888)
13	Curriculum and instructional staff development	3,917,357	11,230	2,374,325	(1,531,802)
21	Instructional leadership	4,294,280	33,688	(424,555)	(4,685,147)
23	School leadership	10,122,707	236,070	(2,548,893)	(12,435,530)
31	Guidance, counseling, and evaluation services	4,917,424	44,917	(979,669)	(5,852,176)
32	Social work services	957,290	-	456,065	(501,225)
33	Health services	1,218,718	11,230	2,610,621	1,403,133
34	Student transportation	6,699,179	54,180	(774,436)	(7,419,435)
35	Food services	14,918,286	1,721,115	14,575,204	1,378,033
36	Extracurricular activities	4,500,283	1,042,594	(454,025)	(3,911,714)
41	General administration	6,280,175	44,917	(907,025)	(7,142,283)
51	Facilities maintenance and operations	25,533,455	257,557	(1,681,482)	(26,957,380)
52	Security and monitoring services	2,481,646	11,230	(96,198)	(2,566,614)
53	Data processing services	3,534,658	22,459	(427,409)	(3,939,608)
61	Community services	1,153,291	-	542,869	(610,422)
72	Interest on long-term debt	13,201,974	-	297,857	(12,904,117)
73	Bond issuance costs and fees	148,891	-	-	(148,891)
81	Other Facility Costs	7,705,066	11,230	(12,455)	(7,706,291)
99	Payments to Appraisal District	936,346	-	-	(936,346)
TG	**Total governmental activities**	$ 204,436,023	$ 4,590,237	$ 4,022,067	(195,823,719)

Data Control Codes		
	General revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	100,958,055
DT	Property taxes, levied for debt service	25,942,351
SF	State-aid formula grants	95,110,955
GC	Grants and contributions not restricted	208,171
IE	Investment earnings	4,561,526
MI	Miscellaneous	567,982
TR	**Total general revenues**	227,349,040
CN	Change in net position	31,525,321
NB	**Net position - beginning**	151,075,930
PA	Prior period adjustments	(141,324,184)
NE	**Net position - ending**	$ 41,277,067

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit C-1*

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2018

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
	Assets					
1110	Cash and temporary investments	$ 159,678,965	$ 11,448,523	$ 81,002,561	$ 4,705,313	$ 256,835,362
	Receivables:					
1220	Delinquent property taxes receivables	9,223,896	1,919,204	-	-	11,143,100
1230	Allowance for uncollectible taxes (credit)	(1,345,597)	(249,218)	-	-	(1,594,815)
1240	Receivables from other governments	452,344	-	350,000	5,650,977	6,453,321
1250	Accrued interest	146,953	49,667	-	12,090	208,710
1260	Due from other funds	5,140,554	26,306	1,321,271	-	6,488,131
1290	Other receivables	1,769,749	67,457	1,362	9,441	1,848,009
1300	Inventories, at cost	304,129	-	-	426,671	730,800
1490	Other current assets	500	-	-	-	500
1000	**Total Assets**	$ 175,371,493	$ 13,261,939	$ 82,675,194	$ 10,804,492	$ 282,113,118
	Liabilities and Fund Balance					
	Liabilities:					
2110	Accounts payable	$ 2,481,852	$ -	$ 10,485,067	$ 994,101	$ 13,961,020
2140	Interest payable		395,973			395,973
2150	Payroll deductions and withholdings	2,033,854	-	-	-	2,033,854
2160	Accrued wages payable	7,468,287	-	10,522	449,780	7,928,589
2170	Due to other funds	1,347,577	-	38	5,140,443	6,488,058
2180	Payable to other governments	1,049,783	-	-	62,550	1,112,333
2300	Unearned revenue	6,910	-	-	167,288	174,198
2000	**Total Liabilities**	14,388,263	395,973	10,495,627	6,814,162	32,094,025
	Deferred Inflows of Resources					
2600	Unavailable revenue - property taxes	7,878,299	1,669,986		-	9,548,285
	Total Deferred Inflows of Resources	7,878,299	1,669,986	-	-	9,548,285
	Fund Balance:					
	Nonspendable:					
3410	Inventories	304,129	-	-	-	304,129
	Restricted					
3450	Grants	-	-	-	3,010,661	3,010,661
3470	Capital acquisition program	-	-	72,179,567	-	72,179,567
3480	Debt service	-	11,195,980	-	-	11,195,980
	Committed					
3545	Campus activity	-	-	-	979,669	979,669
3590	**Assigned**	58,758,224	-	-	-	58,758,224
3600	**Unassigned**	94,042,578		-	-	94,042,578
3000	**Total Fund Balances**	153,104,931	11,195,980	72,179,567	3,990,330	240,470,808
4000	**Total Liabilities and Fund Balance**	$ 175,371,493	$ 13,261,939	$ 82,675,194	$ 10,804,492	$ 282,113,118

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit C-2*

RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION

August 31, 2018

Data Control Codes		
	Total fund balance, governmental funds	$ 240,470,808
	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	331,445,858
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).	9,548,285
3	Deferred loss on refunding	2,256,334
4	Deferred inflows and outflows related to pension liability	11,925,470
5	Deferred inflows and outflows related to OPEB liability	(32,376,883)
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
6	General obligation bonds	(305,535,509)
7	Premiums on issuance	(24,688,168)
8	Qualified Zone Academy Bonds	(689,916)
9	Accreted interest on premium compound interest bonds	(59,682,012)
10	Accrued compensated absences	(1,355,061)
11	Accrued interest payable	(759,502)
12	Net pension liability	(48,789,176)
13	Net OPEB Liability	(80,595,763)
14	Addition of Internal Service fund net position	102,302
19	**Total net position - governmental activities**	$ 41,277,067

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit C-3*

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Year Ended August 31, 2018

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	$ 105,806,377	$ 26,318,672	$ 1,557,551	$ 3,210,134	$ 136,892,734
5800	State program revenues	105,103,775	297,857	-	2,802,843	108,204,475
5900	Federal program revenues	4,139,554	-	-	29,868,321	34,007,875
5020	**Total revenues**	215,049,706	26,616,529	1,557,551	35,881,298	279,105,084
	Expenditures					
	Current:					
0011	Instruction	115,986,516	-	-	13,077,153	129,063,669
0012	Instructional resources and media services	2,491,641	-	-	99,767	2,591,408
0013	Curriculum and instructional staff development	2,695,463	-	-	2,791,230	5,486,693
0021	Instructional leadership	5,714,129	-	-	561,052	6,275,181
0023	School leadership	14,617,490	-	-	227,221	14,844,711
0031	Guidance, counseling and evaluation services	7,287,911	-	-	348,908	7,636,819
0032	Social work services	503,214	-	-	531,500	1,034,714
0033	Health services	1,625,495	-	-	205,959	1,831,454
0034	Student transportation	8,490,837	-	-	483,233	8,974,070
0035	Food services	3,279	-	-	15,125,225	15,128,504
0036	Extracurricular activities	4,037,071	-	-	847,154	4,884,225
0041	General administration	8,298,551	-	-	1,712	8,300,263
0051	Facilities maintenance and operations	25,734,510	-	-	265,258	25,999,768
0052	Security and monitoring services	2,564,646	-	-	833	2,565,479
0053	Data processing services	3,918,290	-	-	300	3,918,590
0061	Community services	891,407	-	-	700,597	1,592,004
	Debt service:					
0071	Principal on long-term debt	344,959	28,089,523	-	-	28,434,482
0072	Interest on long-term debt	10,400	11,458,845	-	-	11,469,245
0073	Bond issuance costs and fees	2,310	146,581	808,462	-	957,353
	Capital outlay:					
0081	Facilities acquisition and construction expenditures	1,716,391	-	90,733,497	1,258,409	93,708,297
	Intergovernmental:					
0099	Payments to appraisal district	936,346	-	-	-	936,346
6030	**Total Expenditures**	207,870,856	39,694,949	91,541,959	36,525,511	375,633,275
1100	Excess (deficiency) of revenues over expenditures	7,178,850	(13,078,420)	(89,984,408)	(644,213)	(96,528,191)
	Other Financing Sources (Uses)					
7911	Refunding bonds issued	-	14,880,000	-	-	14,880,000
7911	Capital-related debt issued (regular bonds)	-	-	85,350,000	-	85,350,000
7912	Sale of real or personal property	125,203	-	-	31,814	157,017
7916	Premium on issuance of bonds	-	963,564	10,458,462	-	11,422,026
7080	Total other financing sources and uses	125,203	15,843,564	95,808,462	31,814	111,809,043
1200	Net change in fund balances	7,304,053	2,765,144	5,824,054	(612,399)	15,280,852
0100	**Fund Balance - beginning**	145,800,878	8,430,836	66,355,513	4,602,729	225,189,956
3000	**Fund Balance - ending**	$ 153,104,931	$ 11,195,980	$ 72,179,567	$ 3,990,330	$ 240,470,808

See Notes to the Basic 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, 2018

Data Control Codes		
	Net change in fund balances - total governmental funds (from C-3)	$ 15,280,852
	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	88,551,547
2	Governmental activities depreciation expense	(11,977,532)
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.	(2,065,623)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(151,985)
5	Pension contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in net pension liability as opposed to expenses in the statement of activity.	5,204,672
6	OPEB contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in OPEB liability as opposed to expenses in the statement of activity	1,332,739
7	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	12,734,482
8	Repayment for current refunding bond	15,700,000
	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.	
9	Proceeds from issuance of capital-related bonds	(85,350,000)
10	Proceeds from issuance of refunding bonds	(14,880,000)
11	Premium on issuance of bonds	(11,422,026)
	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	(286,129)
13	Increase in long-term portion of accrued compensated absences	(8,890)
14	Accreted interest on capital appreciation bonds	(5,157,264)
15	Amortization of premiums and of deferred loss on refunding	823,649
16	Capital appreciation bonds matured and related accreted interest	3,695,477
17	Pension expense for the pension plan measurement year	(7,505,768)
18	OPEB negative expense for the current fiscal year	27,018,799
19	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)	(11,679)
	Change in net position of governmental activities (see B-1)	$ 31,525,321

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT ***Exhibit D-1***

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

August 31, 2018

Data Control Codes		Governmental Activities Internal Service Fund
	Assets	
	Current Assets:	
1110	Cash and cash equivalents	$ 106,528
	Total Current Assets	106,528
1000	**Total Assets**	106,528
	Liabilities	
	Current Liabilities:	
2110	Accounts payable	1,292
2160	Accrued wages payable	2,861
2170	Due to other funds	73
	Total Current Liabilities	4,226
2000	**Total Liabilities**	4,226
	Net Position	
3800	Unrestricted net position	$ 102,302

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit D-2*

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended August 31, 2018

Data Control Codes		Governmental Activities Internal Service Fund
	Operating Revenues	
5749	Miscellaneous revenue from local sources	$ 237,197
5020	**Total Operating Revenues**	237,197
	Operating Expenses	
6100	Payroll costs	71,414
6200	Purchased and contracted services	145,248
6300	Supplies and materials	32,214
6030	**Total Operating Expenses**	248,876
1200	Operating Income (Loss)	(11,679)
	Net Position:	
0100	**Net Position - September 1 (Beginning)**	113,981
3300	**Net Position - August 31 (Ending)**	$ 102,302

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit D-3*

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended August 31, 2018

	Governmental Activities	
	Internal Service Fund	
Cash Flows from Operating Activities:		
Cash received from customers	$	237,747
Cash payments to suppliers for goods and services		(182,203)
Cash payments to employees		(70,374)
Net Cash Used for Operating Activities		(14,830)
Net Decrease in Cash and Cash Equivalents		(14,830)
Cash and Cash Equivalents at Beginning of Year		121,358
Cash and Cash Equivalents at End of Year	$	106,528
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	$	(11,679)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Change in Assets and Liabilities:		
Decrease in Receivables		550
(Decrease) in Accounts Payable		(616)
Increase in Accrued Wages Payable		1,040
(Decrease) in Interfund Payables		(4,125)
Net Cash Used for Operating Activities	$	(14,830)

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit E-1*

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2018

Data Control Codes		Private Purpose Trust Fund	Student Activity Fund
	Assets		
1110	Cash and cash equivalents	$ 58,406	$ 266,352
1000	**Total Assets**	58,406	$ 266,352
	Liabilities		
2110	Accounts payable	5,648	$ 3,065
2190	Due to student groups	-	263,287
2000	**Total Liabilities**	5,648	$ 266,352
	Net Position		
3590	Held In Trust for Other Purposes	$ 52,758	

See Notes to the Basic Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit E-2*

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2018

	Private Purpose Trust Fund
Additions	
Gifts and contributions	$ 12,333
Earnings on investments	7
Total Additions	12,340
Deductions	
Scholarships awarded	30,354
Total deductions	30,354
Change in net position	(18,014)
Net position, beginning of year	70,772
Net position, end of year	$ 52,758

See Notes to the Basic 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 2018 were $1.24330 and $0.32000, respectively, based on a taxable value of $8,177,706,984. Uncollected taxes are recorded as unavailable revenue in the fund financial statements net of the related allowance for uncollectible taxes.

Inventories and Prepaid Items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service commodities. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met. Commodity inventory items are recorded as expenditures when distributed to user locations. A portion of fund balance is considered restricted to reflect minimum inventory quantities considered necessary for the District's continuing operations.

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:

Assets	Years
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 liquated in the general fund.

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources

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

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

- *Deferred outflows of resources for refunding* – Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- *Deferred outflows of resources for pension* – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 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. 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 remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

- *Deferred outflows of resources for other post-employment benefits (OPEB)* – Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments and 2) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with other post-employment benefits through the other post-employment benefit 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.

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources

- *Deferred inflows of resources for pension* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

- *Deferred inflows of resources for post-employment benefits* – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with other post-employment benefits through the other post-employment benefit plan.

Pensions

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

Other Post-Employment Benefits

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

Fund Balance

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The District has committed 100 percent of Fund 461 Campus Activity Funds' fund balance.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. Per Board Policy, CE Local, the Board has delegated authority to the Superintendent or Chief Financial Officer to establish fund balance assignments.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund. The District strives for a minimum unassigned General Fund Balance of ten to fifteen percent of operating expenditures. In the Debt Service Fund, the District's goal is to have a fund balance of fifteen percent of debt service expenditures.

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

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Financial Accountability System Resource Guide (FASRG). TEA requires school districts to display these codes in the financial statements filed with the Agency in order to 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required

Note 1 - Summary of Significant Accounting Policies (continued)

Implementation of New Standards (continued)

supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements.

GASB Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

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, 2018 of $5,424,508 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 2018, 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 an "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.

Note 2 - Deposits and Investments (continued)

Investments (continued)

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.

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, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool 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.

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.

Note 2 - Deposits and Investments (continued)

Investments (continued)

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

	Fair Value/ Amortized Cost	Weighted Average Maturity (Days)
Governmental Activities		
Cash and deposits	$ 3,003,499	N/A
Certificates of deposit	2,976,000	527
Investments		
Local Government Investment Pools		
LOGIC	28,377,001	34
Lone Star	85,914,776	20
Texas CLASS	93,897,880	39
TexPool	2,781,096	28
Total Local Government Investment Pools	210,970,753	
Investment securities		
Commercial Paper	11,918,980	105
Federal Agricultural Mortgage Corporation	247,210	495
US Securities	27,825,448	247
Total Investment Securities	39,991,638	
Total Investments	250,962,391	26
Total Governmental Activities	256,941,890	
Fiduciary Funds		
Cash and deposits	324,758	N/A
Total Fiduciary Funds	324,758	
Total Cash and Investments	$ 257,266,648	

Due to the immediate availability of the funds, the District's temporary investments at August 31, 2018 are included in cash and cash equivalents. In addition, the District's certificates of deposit are reported at fair value using Level 1 inputs, and the District's investment securities are reported at fair value using Level 2 inputs.

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, 2018, 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+", the Commercial Paper investment is rated A-1, and the other US Securities are 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	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	$ 9,223,896	$ 1,919,204	$ -	$ -	$ 11,143,100
Due from other governments	452,344	-	350,000	5,650,977	6,453,321
Accrued interest	146,953	49,667	-	12,090	208,710
Other receivables	1,769,749	67,457	1,362	9,441	1,848,009
Gross Receivables	11,592,942	2,036,328	351,362	5,672,508	19,653,140
Less allowance for doubtful accounts	(1,345,597)	(249,218)	-	-	(1,594,815)
Net Total Receivables	$ 10,247,345	$ 1,787,110	$ 351,362	$ 5,672,508	$ 18,058,325

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.

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:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	$ 7,878,299	$ -
Delinquent property taxes receivable (Debt Service Fund)	1,669,986	-
Grant funds received prior to meeting all eligibility requirements	-	174,198
	$ 9,548,285	$ 174,198

Note 4 - Capital Assets

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

	Balance September 1, 2017	Additions	(Retirements) and Transfers	Balance August 31, 2018
Capital assets, not being depreciated				
Land	$ 19,175,604	$ 1,260,145	$	$ 20,435,749
Construction in progress	15,127,517	83,076,728	(94,290,533)	3,913,712
Total Capital Assets, not being depreciated	34,303,121	84,336,873	(94,290,533)	24,349,461
Capital assets, being depreciated				
Buildings and improvements	351,500,232	1,041,790	90,769,842	443,311,864
Furniture and equipment	27,197,048	1,888,686	(53,017)	29,032,717
Vehicles	13,496,507	1,284,198	(1,288,802)	13,491,903
Total Capital Assets, being depreciated	392,193,787	4,214,674	89,428,023	485,836,484
Less accumulated depreciation for:				
Buildings and improvements	(147,110,577)	(8,527,100)	1,512,569	(154,125,108)
Furniture and Equipment	(15,120,564)	(2,453,032)	45,182	(17,528,414)
Vehicles	(7,328,301)	(997,400)	1,239,136	(7,086,565)
Total Accumulated Depreciation	(169,559,442)	(11,977,532)	2,796,887	(178,740,087)
Governmental Capital Assets	$ 256,937,466	$ 76,574,015	$ (2,065,623)	$ 331,445,858

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

Function	Depreciation Expense
11 Instruction	$ 4,339,819
12 Instructional resources and media services	228,174
13 Curriculum and staff development	12,446
21 Instructional leadership	80,839
23 School leadership	137,183
31 Guidance, counseling and evaluation	42,132
32 Social work services	20,555
33 Health services	35,287
34 Student transportation	916,481
35 Food Services	1,304,117
36 Extracurricular activities	568,906
41 General administration	104,020
51 Facilities maintenance and operations	3,586,770
52 Security and monitoring services	66,472
53 Data processing services	528,108
61 Community services	6,223
	$ 11,977,532

Note 4 - Capital Assets (continued)

The District has active construction projects as of August 31, 2018. As of the end of the current fiscal year, the District's commitments with contractors are as follows:

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
Cloverleaf Elementary - Replacement	$ 27,620,703	$ 3,296,162	$ 24,324,541
Galena Park High School - Additions/Renovations	21,538,717	418,359	21,120,358
Jacinto City Elementary - Replacement	27,620,703	98,002	27,522,701
Pyburn Elementary - Replacement	23,201,092	101,189	23,099,903
	$ 99,981,215	$ 3,913,712	$ 96,067,503

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, 2018, is as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 5,140,554	$ 1,347,577
Debt Service Fund	26,306	
Capital Projects Fund	1,321,271	38
Nonmajor Governmental Funds	-	5,140,443
Internal Service Fund	-	73
	$ 6,488,131	$ 6,488,131

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 fiscal year ended August 31, 2018.

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2018, was as follows:

	Balance September 1, 2017	Issued and Additions	Retired and Refunded	Balance August 31, 2018	Due Within One Year
Bonds Payable					
General Obligation Bonds	$ 233,395,032	$ 100,230,000	$ (28,089,523)	$ 305,535,509	$ 13,505,753
Plus: Premiums and discount on issuance of Bonds	14,710,521	11,422,026	(1,444,379)	24,688,168	-
Qualified Zone Academy Bonds	1,034,875	-	(344,959)	689,916	344,959
Total Bonds Payable	249,140,428	111,652,026	(29,878,861)	330,913,593	13,850,712
Accretion on Compound Interest Bonds	58,220,225	5,157,264	(3,695,477)	59,682,012	3,764,247
Compensated Absences	1,346,171	199,287	(190,397)	1,355,061	200,603
	$ 308,706,824	$ 117,008,577	$ (33,764,735)	$ 391,950,666	$ 17,815,562

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	$ 8,469,071
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	689,916
2010 Unlimited Tax School Building Bonds	17,000,000	4.00-5.00	2034	16,145,000
2011 Unlimited Tax School Building Bonds	9,250,000	2.00-4.00	2026	6,270,000
2012 Unlimited Tax Refunding Bonds	9,234,299	2.50-3.25	2032	7,310,000
2013 Unlimited Tax Refunding Bonds	9,440,000	3.00-3.75	2032	3,295,000
2013 Unlimited Tax Refunding Taxable Bonds	28,550,000	4.00-4.50	2021	11,985,000
2014 Unlimited Tax Refunding Bonds	8,970,000	2.00-3.25	2033	8,230,000
2015 Unlimited Tax Refunding Bonds	9,505,000	2.00-4.00	2026	5,900,000
2016 Unlimited Tax School Bldg. & Refunding Bonds	98,595,000	2.00-5.00	2041	92,500,000
2017 Unlimited Tax Refunding Bonds	29,720,000	2.00-5.00	2033	28,575,000
2018 Unlimited Tax School Bldg. & Refunding Bonds	100,230,000	3.00-5.00	2041	100,230,000
	Total Bonds Payable			306,225,425
	Plus: Unamortized Premiums on Issuance			24,688,168
				330,913,593
	Less: Current Portion			(13,850,712)
				$ 317,062,881

Note 6 - Long-term Liabilities (continued)

Change in Long-term Liabilities (continued)

On May 17, 2018, the District issued $100,230,000 Unlimited Tax Building and Refunding Bonds, Series 2018 to refund outstanding bonds prior to their scheduled maturities; the refunded bonds in the amount of $15,700,000 are treated as a current refunding. The District recorded $85,350,000 in the capital projects fund and $14,880,000 in the debt service fund. The proceeds from the sale of the Bonds will be used for the purpose of (i) acquiring, constructing and equipping school facilities within the District and the purchase of land for school sites, (ii) refunding a portion of the District's outstanding bonds for debt service savings, and (ii) paying the costs of issuing the Bonds.

The District deposited directly with the paying agent into an escrow fund in the amount of approximately $16,092,731, 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, 2018, as such none of the defeased bonds remain outstanding as of August 31, 2018. The escrow proceeds of $16,092,731 were recorded as debt service expenditures and not as other financing uses since the refunding date is within 90 days of the call date of the defeased bonds.

Premiums on the bonds totaled $11,422,026 and interest rates ranged from 3 percent to 5 percent. The District paid a total of $948,294 in issuance costs. The reacquisition price exceeded the net carrying amount of the old debt by $36,806; this amount is being netted against and amortized over the shorter of the life of the new or old debt. The transaction resulted in a net present value savings of $2,595,947.

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

Year Ending August 31,	Principal	Interest	Total
2019	$ 13,850,712	$ 12,937,902	$ 26,788,614
2020	15,046,567	11,520,513	26,567,080
2021	15,876,758	10,111,864	25,988,622
2022	14,770,716	9,492,288	24,263,004
2023	15,270,063	8,881,388	24,151,451
2024 - 2028	72,924,306	34,710,552	107,634,858
2029 - 2033	70,546,303	24,444,770	94,991,073
2034 - 2038	56,660,000	12,258,582	68,918,582
2039 - 2043	31,280,000	2,583,989	33,863,989
	$ 306,225,425	$ 126,941,848	$ 433,167,273
Less Current Portion	13,850,712		
Long Term Debt	$ 292,374,713		

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, 2018, none of the defeased refunded bonds remain outstanding.

Note 6 - Long-term Liabilities (continued)

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	$ 32,133,597	$ 45,413,072
2002	2022-2032	79,000,000	16,626,438	26,924,886	43,551,324
2014	2020	995,000	330,000	623,529	953,529
		$ 160,835,000	$ 30,235,913	$ 59,682,012	$ 89,917,925

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	$ 101,115,177	$ 25,937,214	$ -	$ -	$ 127,052,391
Investment Income	2,893,220	381,458	1,207,551	79,297	4,561,526
Co-curricular Student Activities	239,005	-	-	1,247,249	1,486,254
Food Sales	-	-	-	1,721,115	1,721,115
Other	1,558,975	-	350,000	162,473	2,071,448
	$ 105,806,377	$ 26,318,672	$ 1,557,551	$ 3,210,134	$ 136,892,734

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.

Note 8 - Defined Benefit Pension Plan (continued)

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 by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; on the Internet at https://www.trs.texas.gov/Pages/about_archive_cafr.aspx; or by calling (512) 542-6592.

Benefits Provided

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

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

	Contribution Rates	
	2017	**2018**
Member (Employee)	7.70%	7.70%
District (Employer)	6.80%	6.80%
Non-employer contributing agency (State)	6.80%	6.80%

Note 8 - Defined Benefit Pension Plan (continued)

Contributions (continued)

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 (2017)		Fiscal Year (2018)
	Contributions Required and Made	Pension Expense	TRS Contributions
Member (Employee)	$ 11,685,574	$ -	$ 12,111,305
Non-employer contributing agency (State)	7,159,330	5,338,831	7,300,379
District (Employer)	5,000,919	7,505,768	5,214,328

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.

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.

Note 8 - Defined Benefit Pension Plan (continued)

Actuarial Assumptions

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

Valuation Date	August 31, 2017
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%
Municipal Bond Rate	N/A*
Inflation	2.5%
Salary Increases	3.5% to 9.5% including inflation
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

*If a municipal bond rate was to be used, the rate would be 3.42% as of August 2017 (i.e. the rate closest to but not later than the Measurement date). The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

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 Pension 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, 2017 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.*

Note 8 - Defined Benefit Pension Plan (continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2017 Net Pension Liability.

	Discount Rate		
	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
District's proportional share of the net pension liability	$ 82,248,912	$ 48,789,176	$ 20,928,516

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

At August 31, 2018, the District reported a liability of $48,789,176 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	0.1526%
District's proportionate share of the net pension liabilit	$ 48,789,176
State's proportionate share of the net pension liability associated with the District	69,993,572
Total	$ 118,782,748

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2016 through August 31, 2017. Pension liabilities have been liquidated in prior years from the General Fund.

At August 31, 2017 the employer's proportion of the collective net pension liability was 0.1526% which was an increase from its proportion measured as of August 31, 2016 of 0.1484%.

Changes since the Prior Actuarial Valuation

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

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

For the year ended August 31, 2018, the District recognized pension expense of $12,844,599 as well as revenue of $5,338,831 representing pension expense incurred by the State on behalf of the District.

Note 8 - Defined Benefit Pension Plan (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 713,808	$ (2,631,136)
Changes in assumptions	2,222,424	(1,272,286)
Difference between projected and actual investment	-	(3,555,649)
Changes in proportion and differences between District contributions and proportionate share of contributions	11,230,846	(3,329)
District contributions subsequent to the measurement date	5,220,792	
Total	$ 19,387,870	$ (7,462,400)

The $5,220,792 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,	Amount
2018	1,021,574
2019	4,135,914
2020	782,286
2021	(121,235)
2022	770,460
Thereafter	115,679
	$ 6,704,678

Note 9 - Defined Other Post-Employment Benefit Plans

Plan Description

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

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; https://www.trs.texas.gov/Pages/about_archive_cafr.aspx; or by calling (512) 542-6592.

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

Benefits Provided

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

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

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates

	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
Retiree*	$ -	$ 70	$ 100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children Only	28	62	82

*or surviving spouse

Contributions

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

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

Contributions (continued)

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates Plan Year Ending August 31,	
	2017	**2018**
Active Employee	0.65%	0.65%
Non-employer Contributing Entity (State)	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%

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

In addition, during the current fiscal year, $212.0 million was transferred to TRS from the State to pay for Care during the 85th First Legislative Special Session House Bill 21, Section 10. The District reported on behalf revenues and expenditures of $392,913 million relating to these transfers.

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 (2017)		Fiscal Year (2018)
	Contributions Required and Made	**OPEB Expense**	**TRS Care Contributions**
Active Employee	$ 986,446	$ -	$ 1,022,384
Non-employer Contributing Entity (State)	1,391,026	(38,933,817)	2,214,795
District	963,565	(27,018,799)	1,323,845

Actuarial Assumptions

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

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

Actuarial Assumptions (continued)

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation:

Rates of Mortality
Rates of Retirement
Rates of Termination
Rates of Disability Incidence

General Inflation
Wage Inflation
Expected Payroll Growth

Additional Actuarial Methods and Assumptions:

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

* Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.
** Includes Inflation at 2.50%
*** Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescription trend rate of 4.50% over a period of 10 years.

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

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

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

Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability

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

Discount Rate – The following presents the District's proportional share of the net OPEB liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one- percentage point lower (2.42%) or one-percentage point higher (4.42%) than the AA/Aa rate.

	Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumptions		
	1% Decrease in Discount Rate (2.42%)	Current Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
District proportionate share	$95,123,008	$80,595,763	$68,919,133

Healthcare Cost Trend Rates – The following presents the District's proportional share of the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate:

	Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District proportionate share	$67,104,025	$80,595,763	$98,298,624

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

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

At August 31, 2018, the District reported a liability of $80,595,763 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportion of the Net OPEB Liability		0.1853%
District's proportionate share of the collective Net OPEB Liability	$	80,595,763
State's proportionate share that is associated with (employer)		116,350,040
Total	$	196,945,803

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective Net OPEB Liability was 0.1853% which was the same proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation

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

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

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

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

Negative OPEB Expense

The significant changes to the plan benefits and assumptions noted above decreased the net OPEB liability related to TRS-Care as a whole by $33.5 billion. As a result, the District's proportional share of the net OPEB liability decreased by $61.7 million. Because the decrease in the liability was the result of changes to plan benefits, a majority of the decrease has been recognized immediately in the District's financial statements. As a result, the District recognized a total proportional share of negative OPEB expense of $65.9 million, a portion of this negative expense ($38.9 million) represents the State's on- behalf share of this activity offset by what the Governmental Accounting Standards Board refers to as a negative on-behalf revenue.

The following table illustrates the magnitude of the negative on-behalf activity for the State's portion of the TRS-Care benefits by individual function for both operating grants and contributions revenues and expense:

	Current Year Prior to Negative On-behalf Activities			Current Year After Negative On-behalf Activities as presented in Exhibit B-1	
	Expenses	Operating Grants and Contributions	Negative On-behalf Activities	Expenses	Operating Grants and Contributions
Instruction	$ 114,901,147	$ 16,895,329	$ (25,073,379)	$ 89,827,768	$ (8,178,050)
Instructional Resources and Media Services	2,577,795	139,889	(490,566)	2,087,229	(350,677)
Curriculum and Staff Development	4,404,030	2,860,998	(486,673)	3,917,357	2,374,325
Instructional Leadership	5,450,614	731,779	(1,156,334)	4,294,280	(424,555)
School Leadership	13,132,291	460,691	(3,009,584)	10,122,707	(2,548,893)
Guidance, Counseling, and Evaluation Services	6,478,670	581,577	(1,561,246)	4,917,424	(979,669)
Social Work Services	1,046,838	545,613	(89,548)	957,290	456,065
Health Services	1,576,909	2,968,812	(358,191)	1,218,718	2,610,621
Student Transportation	8,166,984	693,369	(1,467,805)	6,699,179	(774,436)
Food Service	14,918,286	14,575,204	-	14,918,286	14,575,204
Extracurricular Activities	5,033,676	79,368	(533,393)	4,500,283	(454,025)
General Administration	7,728,513	541,313	(1,448,338)	6,280,175	(907,025)
Facilities Maintenance and Operations	27,955,138	740,201	(2,421,683)	25,533,455	(1,681,482)
Security and Monitoring Services	2,594,554	16,710	(112,908)	2,481,646	(96,198)
Data Processing Services	4,036,904	74,837	(502,246)	3,534,658	(427,409)
Community Services	1,332,387	721,965	(179,096)	1,153,291	542,869
Interest on long-term debt	13,201,974	297,857	-	13,201,974	297,857
Bond issuance costs and fees	148,891	-	-	148,891	-
Other facility costs	7,747,893	30,372	(42,827)	7,705,066	(12,455)
Payments to appraisal district	936,346	-	-	936,346	-
Totals	$ 243,369,840	$ 42,955,884	$ (38,933,817)	$ 204,436,023	$ 4,022,067

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

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

Deferred Outflows and Deferred Inflows of Resources Related to OPEB

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ (1,682,498)
Changes in actuarial assumptions	-	(32,030,862)
Difference between projected and actual investment earnings	12,243	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	371	-
Contributions paid to TRS subsequent to the measurement date	1,323,863	-
Total	$ 1,336,477	$ (33,713,360)

The $1,323,863 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 OPEB liability in the year ending August 31, 2019. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB activity will be recognized in OPEB expense as follows:

Year ended June 30	OPEB Expense Amount
2019	$ 4,446,852
2020	4,446,852
2021	4,446,852
2022	4,446,852
2023	4,449,912
Thereafter	11,463,426
	$ 33,700,746

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries know as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District. For the years ended August 31, 2018, 2017, and 2016 the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2018	$ 474,846
2017	461,626
2016	574,248

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 Districts 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 plan through TRS Active Care, by a dental PPO insurance plan through Guardian and a dental HMO insurance plan through Ameritas Dental. The District and employee contributions are paid directly to the carrier and the carrier assumes all liability to the plan.

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, 2018, there was no liability related to arbitrage.

Note 13 – Fund Balance

As of August 31, 2018, assigned fund balance is as follows

	General Fund
Average Daily Attendance Adjustment	$ 48,954
Campus Budget Carryover	128,089
Campus Match for Fixed Asset Replacements	256,362
Capital and Lifecycle Expenditures	1,500,000
Contingency - Unanticipated Deficits or Revenue Reductions for Adverse Economic Conditions	32,227,950
Contingent Liability - Internal Revenue Service (IRS)	109,000
Cost Associated with New Construction	250,000
District Personnel Growth	1,102,855
Fine Arts Enhancements	300,000
Health and Wellness Initiatives	23,256
Hurricane Harvey Repairs	57,191
Insurance Deductibles	5,451,904
Legal Fees Contingency	100,000
Mid Year Hires	450,000
Outstanding Encumbrances	752,663
Potential Land Acquisition/Renovations	15,000,000
Technology Initiatives	1,000,000
Total Assigned Fund Balance	$ 58,758,224

Note 14 - Prior Period Adjustment – New Accounting Pronouncement

In the current fiscal year, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. As a result, the beginning net position of the District's governmental activities has been restated on the Statement of Activities to reflect the net OPEB liability and deferred outflow of resources relating to TRS-Care contributions made after the prior measurement date of the plan as follows:

Beginning Net Position as originally presented		$151,075,930
Restatement:		
TRS-Care Contributions made after August 31, 2016	963,565	
Net OPEB liability	(142,287,749)	
Total adjustment due to change in accounting principle		(141,324,184)
Restated Beginning Net Position		$ 9,751,746

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REQUIRED SUPPLEMENTARY INFORMATION

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit G-1*

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended August 31, 2018

Data Control Codes		Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
		Original	Final		
	Revenues				
5700	Local revenues	$ 102,085,800	$ 106,195,593	$ 105,806,377	$ (389,216)
5800	State program revenues	102,912,200	104,579,471	105,103,775	524,304
5900	Federal program revenues	2,700,000	3,506,000	4,139,554	633,554
5020	**Total revenues**	207,698,000	214,281,064	215,049,706	768,642
	Expenditures				
	Current:				
0011	Instruction	119,340,900	118,939,627	115,986,516	2,953,111
0012	Instructional resources and media services	2,615,000	2,605,493	2,491,641	113,852
0013	Curriculum and staff development	3,085,100	2,997,636	2,695,463	302,173
0021	Instructional leadership	6,452,200	5,989,303	5,714,129	275,174
0023	School leadership	14,143,900	14,653,552	14,617,490	36,062
0031	Guidance, counseling and evaluation services	7,404,200	7,441,093	7,287,911	153,182
0032	Social work services	862,900	796,950	503,214	293,736
0033	Health services	1,835,900	1,783,425	1,625,495	157,930
0034	Student transportation	7,885,000	8,920,402	8,490,837	429,565
0035	Food services	10,700	15,700	3,279	12,421
0036	Extracurricular activities	3,768,200	4,325,488	4,037,071	288,417
0041	General administration	8,805,100	9,231,546	8,298,551	932,995
0051	Facilities maintenance and operations	25,000,200	27,047,302	25,734,510	1,312,792
0052	Security and monitoring services	2,598,400	2,660,906	2,564,646	96,260
0053	Data processing services	4,214,500	4,192,468	3,918,290	274,178
0061	Community services	1,004,100	980,886	891,407	89,479
	Debt Service:				
0071	Principal on long-term debt	350,000	350,000	344,959	5,041
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	2,137,400	2,221,896	1,716,391	505,505
	Intergovernmental:				
0099	Payments to appraisal district	967,500	967,500	936,346	31,154
6030	**Total Expenditures**	212,496,800	216,136,773	207,870,856	8,265,917
1100	Excess (deficiency) of revenues over expenditures	(4,798,800)	(1,855,709)	7,178,850	9,034,559
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	125,203	125,203
7080	**Total other financing sources and uses**	-	-	125,203	125,203
1200	Net change in fund balances	(4,798,800)	(1,855,709)	7,304,053	9,159,762
0100	**Fund balances - beginning**	145,800,878	145,800,878	145,800,878	-
3000	**Fund balances - ending**	$ 141,002,078	$ 143,945,169	$ 153,104,931	$ 9,159,762

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, 2018.

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

The official school budget was prepared for adoption for budgeted governmental fund types by August 31, 2017. 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 *Exhibit G-3*

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teacher Retirement System of Texas

For the Last Four Measurement Years Ended August 31

	2017	2016	2015
District's proportion of the net pension liability	0.1526%	0.1484%	0.1397%
District's proportionate share of the net pension liability	$ 48,789,176	$ 56,068,678	$ 49,393,685
State's proportionate share of the net pension liability associated with the District	69,993,572	83,923,356	80,743,272
Total	$ 118,782,748	$ 139,992,034	$ 130,136,957
District's covered payroll (for Measurement Year)	$ 151,760,707	$ 145,634,727	$ 138,624,105
District's proportionate share of the net pension liability as a percentage of its covered payroll	32.15%	38.50%	35.63%
Plan's fiduciary net position as a percentage of the total pension liability*	82.17%	78.00%	78.43%
Plan's net pension liability as a percentage of covered payroll*	75.93%	92.75%	91.94%

	2014
District's proportion of the net pension liability	0.0961%
District's proportionate share of the net pension liability	$ 25,667,021
State's proportionate share of the net pension liability associated with the District	68,611,587
Total	$ 94,278,608
District's covered payroll (for Measurement Year)	$ 130,249,117
District's proportionate share of the net pension liability as a percentage of its covered payroll	19.70%
Plan's fiduciary net position as a percentage of the total pension liability*	83.25%
Plan's net pension liability as a percentage of covered payroll*	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 Teacher Retirement System of Texas' Comprehensive Annual Financial Report.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit G-4*

SCHEDULE OF DISTRICT CONTRIBUTIONS

Teacher Retirement System of Texas

Last Ten Fiscal Years Ended August 31

	2018	2017	2016	2015	2014
Contractually required contributions	$ 5,214,328	$ 5,007,387	$ 4,714,247	$ 4,140,459	$ 2,436,154
Contributions in relation to the contractually required contributions	5,214,328	5,007,387	4,714,247	4,140,459	2,436,154
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 157,289,669	$ 151,760,707	$ 145,634,727	$ 138,624,105	$ 130,249,117
Contributions as a percentage of covered payroll	3.32%	3.30%	3.24%	2.99%	1.87%

	2013	2012	2011	2010	2009
Contractually required contributions	$ 2,012,917	$ 2,078,627	$ 2,130,068	$ 3,091,417	$ 1,963,291
Contributions in relation to the contractually required contributions	2,012,917	2,078,627	2,130,068	3,091,417	1,963,291
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 126,142,312	$ 127,628,389	$ 133,037,350	$ 132,200,257	$ 123,970,078
Contributions as a percentage of covered payroll	1.60%	1.63%	1.60%	2.34%	1.58%

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.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit G-6*

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Teacher Retirement System of Texas
For the Last Measurement Year Ended August 31

		2017
District's proportion of the net OPEB liability		0.1853%
District's proportionate share of the net OPEB liability	$	80,595,763
State's proportionate share of the net pension liability associated with the District		116,350,040
Total	$	196,945,803
District's covered payroll (for Measurement Year)	$	151,760,707
District's proportionate share of the net pension liability as a percentage of its covered payroll		53.1%
Plan's fiduciary net position as a percentage of the total pension liability *		0.91%
Plan's net pension liability as a percentage of covered payroll *		132.55%

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017
Net OPEB liability and related ratios will be presented prospectively as data becomes available.

* Per Teacher Retirement System of Texas' Comprehensive Annual Financial Report.

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit G-7*

SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS

Teachers Retirement System of Texas

Last Ten Fiscal Years Ended August 31

	2018	2017	2016	2015	2014
Contractually required contributions	$ 1,323,845	$ 963,583	$ 916,754	$ 875,679	$ 789,064
Contributions in relation to the contractually required contributions	1,323,845	963,583	916,754	875,679	$ 789,064
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 157,289,669	$ 151,760,707	$ 145,634,727	$ 138,624,105	$ 130,249,117
Contributions as a percentage of covered employee payroll	0.84%	0.63%	0.63%	0.63%	0.61%

	2013	2012	2011	2010	2009
Contractually required contributions	$ 746,663	$ 811,399	$ 894,075	$ 930,708	$ 787,424
Contributions in relation to the contractually required contributions	$ 746,663	$ 811,399	$ 894,075	$ 930,708	$ 787,424
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 126,142,312	$ 127,628,389	$ 133,037,350	$ 132,200,257	$ 123,970,078
Contributions as a percentage of covered employee payroll	0.59%	0.64%	0.67%	0.70%	0.64%

Changes Since the Prior Actuarial Valuation

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

There was a significant plan change adopted in fiscal year ending August 31, 2017:

Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.

The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.

The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

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OTHER SUPPLEMENTARY INFORMATION

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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	**Early Head Start Program** – funds used to promote the school readiness of low-income preschool children (ages 3-5), including children of migratory seasonal and farm workers, and infants and toddlers (birth through age 3) by enhancing their cognitive social and emotional development in learning environments that support their growth in language, literacy, mathematics, science, social and emotional functioning, creative art, physical skills and approaches to learning.
206	**McKinney - Vento Support for Homeless Education** - to ensure the enrollment, attendance and success of homeless children and youth in school.
211	**ESEA, Title I, Part A - Improving Basic Programs** - supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses.
212	**ESEA Title I, Part C** – for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fisherman.
224	**IDEA, Part B - Formula** - salaries and supplies to aid children with disabilities with low reading achievement.
225	**IDEA, Part B - Preschool** - aids preschool students with disabilities.
226	**IDEA, Part B - Discretionary** - assists with high need students with disabilities whose direct special education and related services costs exceed $25,000 per school year.
240	**National School Breakfast and Lunch Program** – federal reimbursement revenues originating from the United States Department of Agriculture and fees from child and adult meals.
244	**Vocational Education - Basic** - funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes.
255	**ESEA, Title II, Part A** - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
263	**ESEA, Title III, Part A** - provides additional educational opportunities to supplement programs for students of limited English proficiency and immigrant children by assisting the children to learn English and meet challenging
265	**ESEA, Title IV Part B** - provides after-school activities for students in elementary through high school.

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Fund Number	Fund Name & Description
288	**Summer School LEP** - provides funds for summer school programs for LEP students.
289	**Various Federal Funds -** supports and encourages the development of new, self-supporting, community anti-drug coalitions; early childhood summer programs, library grants and wetlands and water education, and for various education related costs due to disruptions of the learning environment due to Hurricane Harvey.
397	**Advanced Placement Incentives** - enhancement of Advanced Placement programs on specific campuses based on student scores on Advanced Placement examinations.
410	**Instructional Materials Allotment** - provides funds to purchase instructional materials, technological equipment and technology-related services.
427	**State Funded Special Revenue Funds -** provides funds to help schools fund various programs.
429	**Other State Funded Special Revenue Funds -** provides funds to help schools fund various programs including mentors and campus awards.
461	**Campus Activity Funds** - proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.
481	**Other Local Grants -** grants from local businesses or organizations to be used for educational
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, 2018

Data Control Codes		205 Early Head Start Program	206 McKinney - Vento Support for Homeless Education	211 ESEA Title I, Part A Improving Basic Programs
	Assets			
1110	Cash and temporary investments	$ -	$ -	$ -
	Receivables:			
1240	Receivables from other governments	186,491	9,549	582,797
1250	Accrued interest	-	-	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1310	Inventories, at cost	-	-	-
1000	**Total Assets**	$ 186,491	$ 9,549	$ 582,797
	Liabilities and Fund Balance			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	$ 9,657	$ 51	$ 3,484
2160	Accrued wages payable	24,971	-	44,459
2170	Due to other funds	151,863	9,414	534,854
2180	Due to other governments	-	84	-
2300	Unearned revenues	-	-	-
2000	**Total Liabilities**	186,491	9,549	582,797
	Fund Balances:			
	Restricted			
3450	Grants	-	-	-
	Committed			
3545	Campus activity	-	-	-
3000	**Total Fund Balances**	-	-	-
4000	**Total Liabilities and Fund Balance**	$ 186,491	$ 9,549	$ 582,797

212	224	225	226	240	244
ESEA Title I, Part C	**IDEA, Part B - Formula**	**IDEA, Part B Preschool**	**IDEA, Part B- Discretionary**	**National School Breakfast and Lunch Program**	**Vocational Education - Basic**
$ -	$ -	$ -	$ 62,466	$ 3,205,965	$ -
28,494	358,356	5,518	-	654,606	84,188
-	-	-	-	9,505	-
-	-	-	-	-	-
-	638	-	-	5,827	-
-	-	-	-	426,671	-
$ 28,494	$ 358,994	$ 5,518	$ 62,466	$ 4,302,574	$ 84,188
$ -	$ 15,578	$ -	$ -	$ 855,741	$ 46,620
5,572	123,663	2,607	-	201,120	-
22,922	219,753	2,911	-	463,650	37,568
-	-	-	62,466	-	-
-	-	-	-	-	-
28,494	358,994	5,518	62,466	1,520,511	84,188
-	-	-	-	2,782,063	-
-	-	-	-	-	-
-	-	-	-	2,782,063	-
$ 28,494	$ 358,994	$ 5,518	$ 62,466	$ 4,302,574	$ 84,188

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2018

		255	263	265
Data Control Codes		**ESEA, Title II Part A**	**ESEA, Title III Part A**	**ESEA, Title IV Part B**
	Assets			
1110	Cash and temporary investments	$ -	$ -	$ -
	Receivables:			
1240	Receivables from other governments	53,911	381,197	47,369
1250	Accrued interest	-	-	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1310	Inventories, at cost	-	-	-
1000	**Total Assets**	$ 53,911	$ 381,197	$ 47,369
	Liabilities and Fund Balance			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	$ -	$ -	$ 1,413
2160	Accrued wages payable	1,469	19,750	4,890
2170	Due to other funds	52,442	361,447	41,066
2180	Due to other governments	-	-	-
2300	Unearned revenues	-	-	-
2000	**Total Liabilities**	53,911	381,197	47,369
	Fund Balance:			
	Restricted			
3450	Grants	-	-	-
	Committed			
3545	Campus activity	-	-	-
3000	**Total Fund Balances**	-	-	-
4000	**Total Liabilities and Fund Balance**	$ 53,911	$ 381,197	$ 47,369

288	289	397	410	427	429
Summer School LEP	**Various Federal Funds**	**Advanced Placement Incentives**	**Instructional Materials Allotment**	**State Funded Special Revenue Funds**	**Other State Funded Special Revenue Funds**
$ 50,799	$ -	$ 8,842	$ 246,302	$ -	$ -
-	3,212,476	-	-	-	46,025
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 50,799	$ 3,212,476	$ 8,842	$ 246,302	$ -	$ 46,025
$ 7,401	$ 5,116	$ -	$ 17,704	$ -	$ -
-	7,615	-	-	-	3,150
-	3,199,745	-	-	-	42,808
-	-	-	-	-	-
43,398	-	8,842	-	-	67
50,799	3,212,476	8,842	17,704	-	46,025
-	-	-	228,598	-	-
-	-	-	-	-	-
-	-	-	228,598	-	-
$ 50,799	$ 3,212,476	$ 8,842	$ 246,302	$ -	$ 46,025

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GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit H-1*
COMBINING BALANCE SHEET *Page 3 of 3*
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2018

Data Control Codes		461 Campus Activity Funds	481 Other Local Funds	486 Miscellaneous Donations	Total Nonmajor Governmental Funds
	Assets				
1110	Cash and temporary investments	$ 1,015,958	$ 113,893	$ 1,088	$ 4,705,313
	Receivables:				
1240	Receivables from other governments	-	-	-	5,650,977
1250	Accrued interest	2,585	-	-	12,090
1260	Due from other funds	-	-	-	-
1290	Other receivables	2,976	-	-	9,441
1310	Inventories, at cost	-	-	-	426,671
1000	**Total Assets**	$ 1,021,519	$ 113,893	$ 1,088	$ 10,804,492
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ 31,336	$ -	$ -	$ 994,101
2160	Accrued wages payable	10,514	-	-	449,780
2170	Due to other funds	-	-	-	5,140,443
2180	Due to other governments	-	-	-	62,550
2300	Unearned revenues	-	113,893	1,088	167,288
2000	**Total Liabilities**	41,850	113,893	1,088	6,814,162
	Fund Balance:				
	Restricted				
3450	Grants	-	-	-	3,010,661
	Committed				
3545	Campus activity	979,669	-	-	979,669
3000	**Total Fund Balances**	979,669	-	-	3,990,330
4000	**Total Liabilities and Fund Balance**	$ 1,021,519	$ 113,893	$ 1,088	$ 10,804,492

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, 2018

Data Control Codes		205 Early Head Start Program	206 McKinney - Vento Support for Homeless Education	211 ESEA Title I, Part A Improving Basic Programs
	Revenues			
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	802,344	103,717	5,531,025
5020	**Total revenues**	802,344	103,717	5,531,025
	Expenditures			
	Current:			
0011	Instruction	-	52,751	3,584,456
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff	-	-	1,237,633
0021	Instructional leadership	124,800	-	136,759
0023	School leadership	-	-	404
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	20,298	639	290,234
0033	Health services	70,352	-	-
0034	Student transportation	-	50,327	193,894
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	586,894	-	87,645
	Capital outlay:			
0081	Facilities acquisition and construction	-	-	-
6030	**Total Expenditures**	802,344	103,717	5,531,025
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**	-	-	-
1200	Net change in fund balances	-	-	-
0100	**Fund balance - beginning**	-	-	-
3000	**Fund balance - ending**	$ -	$ -	$ -

212	224	225	226	240	244
ESEA Title I, Part C	**IDEA, Part B - Formula**	**IDEA, Part B Preschool**	**IDEA, Part B-Discretionary**	**National School Breakfast and Lunch Program**	**Vocational Education - Basic**
$ -	$ -	$ -	$ -	$ 1,797,925	$ -
-	-	-	-	78,426	-
114,610	3,642,371	46,400	412,894	13,990,763	317,990
114,610	3,642,371	46,400	412,894	15,867,114	317,990
20,237	2,686,935	46,400	324,674	-	298,699
-	-	-	-	-	-
-	538,966	-	-	-	-
48,840	61,637	-	-	-	-
-	6,765	-	-	-	-
-	306,999	-	-	-	-
36,229	-	-	-	-	-
-	24,748	-	88,220	-	-
-	15,801	-	-	-	-
-	-	-	-	15,071,794	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	258,203	-
-	-	-	-	-	-
-	-	-	-	-	-
9,304	520	-	-	-	-
-	-	-	-	1,239,118	19,291
114,610	3,642,371	46,400	412,894	16,569,115	317,990
-	-	-	-	(702,001)	-
-	-	-	-	31,814	-
-	-	-	-	31,814	-
-	-	-	-	(670,187)	-
-	-	-	-	3,452,250	-
$ -	$ -	$ -	$ -	$ 2,782,063	$ -

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, 2018

		255	263	265
Data Control Codes		**ESEA, Title II Part A**	**ESEA, Title III Part A**	**ESEA, Title IV Part B**
	Revenues			
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	567,266	699,755	330,747
5020	**Total revenues**	567,266	699,755	330,747
	Expenditures			
	Current:			
0011	Instruction	2,234	244,728	207,157
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff	557,739	397,993	-
0021	Instructional leadership	7,293	49,993	123,515
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	7,041	-
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	-	-	75
	Capital outlay:			
0081	Facilities acquisition and construction	-	-	-
6030	**Total Expenditures**	567,266	699,755	330,747
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	-	-	-
1200	Net change in fund balances	-	-	-
0100	**Fund balance - September 1 (beginning)**	-	-	-
3000	**Fund balance - August 31 (ending)**	$ -	$ -	$ -

288	289	397	410	427	429
Summer School LEP	**Various Federal Funds**	**Advanced Placement Incentives**	**Instructional Materials Allotment**	**State Funded Special Revenue Funds**	**Other State Funded Special Revenue Funds**
$ -	$ -	$ -	$ -	$ -	$ 6,375
-	-	5,345	2,371,307	282	347,483
23,212	3,285,227	-	-	-	-
23,212	3,285,227	5,345	2,371,307	282	353,858
9,829	2,994,024	-	2,266,381	-	158,927
-	-	-	-	282	-
13,383	19,038	5,345	-	-	2,330
-	-	-	300	-	2,126
-	475	-	-	-	-
-	41,589	-	-	-	-
-	-	-	-	-	184,100
-	22,639	-	-	-	-
-	207,462	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	600	-	-
-	-	-	-	-	-
-	-	-	300	-	-
-	-	-	-	-	6,375
-	-	-	-	-	-
23,212	3,285,227	5,345	2,267,581	282	353,858
-	-	-	103,726	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	103,726	-	-
-	-	-	124,872	-	-
$ -	$ -	$ -	$ 228,598	$ -	$ -

Data Control Codes		461 Campus Activity Funds	481 Other Local Funds	486 Miscellaneous Donations	Total - Nonmajor Governmental Funds
	Revenues				
5700	Local, intermediate, and out-of-state	$ 1,249,736	$ 156,098	$ -	$ 3,210,134
5800	State program revenues	-	-	-	2,802,843
5900	Federal program revenues	-	-	-	29,868,321
5020	**Total revenues**	1,249,736	156,098	-	35,881,298
	Expenditures				
	Current:				
0011	Instruction	172,427	7,294	-	13,077,153
0012	Instruction resources and media services	32,484	67,001	-	99,767
0013	Curriculum and instructional staff	2,254	16,549	-	2,791,230
0021	Instructional leadership	2,292	3,497	-	561,052
0023	School leadership	215,727	3,850	-	227,221
0031	Guidance, counseling and evaluation services	200	120	-	348,908
0032	Social work services	-	-	-	531,500
0033	Health services	-	-	-	205,959
0034	Student transportation	8,708	-	-	483,233
0035	Food services	-	53,431	-	15,125,225
0036	Extracurricular activities	847,154	-	-	847,154
0041	General administration	1,712	-	-	1,712
0051	Facilities maintenance and operations	6,455	-	-	265,258
0052	Security and monitoring services	833	-	-	833
0053	Data processing services	-	-	-	300
0061	Community services	5,428	4,356	-	700,597
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	1,258,409
6030	**Total Expenditures**	1,295,674	156,098	-	36,525,511
1100	Excess (deficiency) of revenues over expenditures	(45,938)	-	-	(644,213)
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-	31,814
7080	Total other financing sources and uses	-	-	-	31,814
1200	Net change in fund balances	(45,938)	-	-	(612,399)
0100	**Fund balance - September 1 (beginning)**	1,025,607	-	-	4,602,729
3000	**Fund balance - August 31 (ending)**	$ 979,669	$ -	$ -	$ 3,990,330

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit H-3*
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
August 31, 2018

	Balance September 1, 2017	Additions	Deductions	Balance August 31, 2018
Assets				
Cash and Cash Equivalents	$ 287,887	$ 995,174	$ (1,016,709)	$ 266,352
	$ 287,887	$ 995,174	$ (1,016,709)	$ 266,352
Liabilities				
Accounts Payable	$ 20,515	$ 3,065	$ (20,515)	$ 3,065
Due to Other Governments	410	-	(410)	-
Due to Student Groups	266,962	992,109	(995,784)	263,287
	$ 287,887	$ 995,174	$ (1,016,709)	$ 266,352

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended August 31, 2018

	1	2	3	10
Last Ten Fiscal Years	**Tax Rates**		**Net Assessed/Appraised Value For School Tax Purposes**	**Beginning Balance 9/1/2017**
	Maintenance	**Debt Service**		
2009 and prior	Various	Various	Various	$ 1,552,448
2010	1.18340	0.29500	5,682,442,359	221,763
2011	1.18340	0.33000	5,462,732,192	193,718
2012	1.18340	0.33000	5,420,068,595	190,993
2013	1.18340	0.33000	6,362,846,718	359,507
2014	1.24330	0.27010	6,748,726,082	440,071
2015	1.24330	0.27010	7,433,199,935	450,454
2016	1.24330	0.27010	8,142,261,887	1,005,990
2017	1.24330	0.32000	8,161,446,159	2,318,888
2018	1.24330	0.32000	8,177,706,984	
1000 **Totals**				$ 6,733,832

20	31	32	40	50
Current Year's Total Levy	**Maintenance Total Collections**	**Debt Service Total Collections**	**Entire Year's Adjustments**	**Ending Balance 8/31/2018**
$ -	$ 91,139	$ 21,379	$ (63,539)	$ 1,376,391
-	17,603	4,388	(9,181)	190,591
-	16,130	4,498	(9,441)	163,649
-	18,159	5,063	(6,901)	160,870
-	37,987	8,252	6,839	320,107
-	53,261	11,570	8,274	383,514
-	84,027	18,255	(478)	347,694
-	321,280	69,797	(30,863)	584,050
-	433,854	111,665	(1,013,336)	760,033
126,720,366	98,991,847	25,478,477	(118)	2,249,924
$ 126,720,366	$ 100,065,287	$ 25,733,344	$ (1,118,744)	6,536,823
			Penalty and interest receivable on taxes	4,606,277
			Total taxes receivable per Governmental Fund Balance Sheet (C-1)	$ 11,143,100

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit J-2*

BUDGETARY COMPARISON SCHEDULE

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

For the Year Ended August 31, 2018

Data Control Codes		Budget			Variance Favorable (Unfavorable)
		Original	Final	Actual	
	Revenues				
5700	Local, Intermediate, and Out-of-State	$ 2,457,900	$ 2,457,900	$ 1,797,925	$ (659,975)
5800	State Program Revenues	79,000	79,000	78,426	(574)
5900	Federal Program Revenues	13,226,900	13,605,900	13,990,763	384,863
5020	**Total Revenues**	15,763,800	16,142,800	15,867,114	(275,686)
	Expenditures				
	Current:				
0035	Food Services	15,450,000	16,027,785	15,071,794	955,991
0051	Plant maintenance and operations	313,800	344,300	258,203	86,097
	Capital outlay:				
0081	Facilities acquisition and construction	-	1,305,322	1,239,118	66,204
6030	**Total Expenditures**	15,763,800	17,677,407	16,569,115	1,108,292
1100	Excess (Deficiency) Revenues Over Expenditures	-	(1,534,607)	(702,001)	832,606
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	31,814	31,814
	Total other financing sources and uses	-	-	31,814	31,814
1200	Net change in fund balances	-	(1,534,607)	(670,187)	864,420
0100	**Fund Balance - beginning**	3,452,250	3,452,250	3,452,250	-
3000	**Fund Balance - ending**	$ 3,452,250	$ 1,917,643	$ 2,782,063	$ 864,420

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Exhibit J-3*

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the Year Ended August 31, 2018

Data Control Codes		Budget			Variance Favorable (Unfavorable)
		Original	Final	Actual	
	Revenues				
5700	Local, Intermediate, and Out-of-State	$ 26,049,900	$ 26,049,900	$ 26,318,672	$ 268,772
5800	State Program Revenues	287,800	287,800	297,857	10,057
5020	**Total Revenues**	26,337,700	26,337,700	26,616,529	278,829
	Expenditures				
	Current:				
	Debt Service:				
0071	Principal on long-term debt	12,389,524	28,089,524	28,089,523	1
0072	Interest on long-term debt	11,526,301	11,526,311	11,458,845	67,466
0073	Bond issuance costs and fees	8,575	152,128	146,581	5,547
6030	**Total Expenditures**	23,924,400	39,767,963	39,694,949	73,014
1100	Excess (Deficiency) Revenues Over Expenditures	2,413,300	(13,430,263)	(13,078,420)	351,843
	Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	14,880,000	14,880,000	-
7916	Premium or discount on issuance of bonds	-	963,564	963,564	-
	Total other financing sources and uses	-	15,843,564	15,843,564	-
1200	Net change in fund balances	2,413,300	2,413,301	2,765,144	351,843
0100	**Fund Balance - beginning**	8,430,836	8,430,836	8,430,836	-
3000	**Fund Balance - ending**	$ 10,844,136	$ 10,844,137	$ 11,195,980	$ 351,843

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STATISTICAL SECTION
(UNAUDITED)

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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:

	Page
Financial Trends	98
These schedules contain trend information to show how the District's financial performance and position have changed over time	
Revenue Capacity	108
These schedules contain information to help assess the factors affecting the District's most significant local revenue source, the property tax.	
Debt Capacity	116
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	122
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	124
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)

	2018	2017	2016
Governmental Activities:			
Net investment in capital assets	$ 74,968,166	$ 77,029,615	$ 71,473,347
Restricted	15,117,125	13,199,434	11,671,948
Unrestricted	(48,808,224)	60,846,881	58,897,199
Total Governmental Activities Net Position	$ 41,277,067	$ 151,075,930	$ 142,042,494

Table 1

2015	2014	2013	2012	2011	2010	2009
$ 64,843,915	$ 50,303,111	$ 48,447,172	$ 48,387,569	$ 53,833,026	$ 49,875,572	$ 52,299,778
9,080,679	13,823,205	13,023,826	10,016,278	10,531,018	9,835,302	9,702,298
50,004,043	57,092,596	33,597,971	10,028,641	5,897,450	10,646,315	5,488,537
$ 123,928,637	$ 121,218,912	$ 95,068,969	$ 68,432,488	$ 70,261,494	$ 70,357,189	$ 67,490,613

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2018	2017	2016
Expenses:			
Governmental Activities:			
Instruction	$ 89,827,768	$ 134,569,316	$ 119,286,904
Instructional Resources and Media Services	2,087,229	2,817,371	2,753,916
Curriculum and Instructional Staff Development	3,917,357	5,961,598	5,432,709
Instructional Leadership	4,294,280	6,087,473	5,758,176
School Leadership	10,122,707	14,360,951	13,720,730
Guidance, Counseling, and Evaluation Services	4,917,424	7,940,012	7,635,301
Social Work Services	957,290	904,579	696,048
Health Services	1,218,718	1,884,102	1,828,426
Student (Pupil) Transportation	6,699,179	8,491,227	6,478,596
Food Services	14,918,286	13,964,364	15,007,128
Cocurricular/Extracurricular Activities	4,500,283	5,100,028	5,424,069
General Administration	6,280,175	8,507,836	7,914,425
Facilities Maintenance and Operations	25,533,455	24,949,307	27,253,373
Security and Monitoring Services	2,481,646	2,488,235	2,568,194
Data Processing Services	3,534,658	3,805,769	3,815,141
Community Services	1,153,291	1,635,714	1,411,317
Debt Service - Interest on Long-term Debt	13,201,974	12,766,645	10,967,667
Debt Service - Bond Issuance Costs and Fees	148,891	1,757,777	-
Other Facility Costs	7,705,066	1,700,855	2,170,865
Payments to Appraisal District	936,346	937,503	908,466
Total Governmental Activities Expenses	204,436,023	260,630,662	241,031,451
Total Primary Government Expenses	204,436,023	260,630,662	241,031,451
Program Revenues:			
Governmental Activities:			
Charges for Services:			
Instruction	1,048,802	673,736	804,888
School Leadership	236,070	147,074	160,176
Food Services	1,721,115	2,147,598	181,054
Cocurricular/Extracurricular Activities	1,042,594	1,237,846	2,339,622
General Administration	44,917	21,501	-
Facilities Maintenance and Operations	257,557	180,392	1,188,365
Security and Monitoring Services	11,230	5,375	-
Other Facility Costs	11,230	5,375	-
Other Activities	216,722	105,903	-
Operating Grants and Contributions	4,022,067	41,428,025	29,381,400
Total Governmental Activities Program Revenues	8,612,304	45,952,825	34,055,505
Total Primary Government Program Revenues	8,612,304	45,952,825	34,055,505

2015	2014	2013	2012	2011	2010	2009
$ 118,671,778	$ 113,536,472	$ 110,548,329	$ 119,602,322	$ 122,370,042	$ 113,577,108	$ 108,256,241
2,484,130	2,543,759	2,421,087	2,516,129	2,534,826	2,442,877	2,329,227
5,049,277	4,785,800	4,508,432	5,345,912	5,908,955	5,161,904	4,269,795
5,446,409	5,158,621	4,728,055	5,141,031	4,956,514	4,445,447	4,750,832
12,226,016	11,686,374	9,877,826	10,620,953	11,178,042	10,327,302	9,968,042
6,971,684	5,967,337	5,606,717	6,634,847	6,937,775	6,148,901	6,090,505
533,315	581,864	419,590	388,202	537,078	593,215	625,719
1,745,665	1,696,559	1,641,843	1,733,425	1,724,297	1,574,097	1,413,780
6,060,314	5,442,835	5,533,763	5,520,678	5,508,054	4,584,314	4,950,809
13,898,421	13,828,395	12,325,411	12,428,159	11,309,542	9,775,884	10,162,221
4,956,638	4,784,559	3,896,064	4,209,663	3,842,327	3,538,725	3,307,338
7,523,092	6,990,616	6,445,569	6,905,251	7,385,442	5,963,619	5,953,647
28,066,758	27,857,900	23,624,581	25,311,366	24,487,945	20,412,889	21,412,919
2,572,674	2,778,838	2,013,057	1,968,539	2,363,252	2,105,534	2,090,879
3,177,492	2,516,556	2,539,098	2,289,328	2,195,154	2,694,257	1,911,117
1,389,389	1,427,226	1,419,328	1,387,390	1,318,585	1,294,642	1,085,044
10,832,510	11,978,110	13,296,766	13,569,926	13,692,016	13,543,239	12,550,677
-	-	-	2,100	99,352	6,814	7,665
97,650	199,646	-	-	-	5,004,840	1,373,270
857,019	764,804	680,484	687,831	667,412	586,095	563,772
232,560,231	224,526,271	211,526,000	226,263,052	229,016,610	213,781,703	203,073,499
232,560,231	224,526,271	211,526,000	226,263,052	229,016,610	213,781,703	203,073,499
662,850	1,055,658	378,481	691,838	321,668	253,892	511,097
125,841	126,835	92,036	108,021	141,352	121,318	108,929
2,396,603	2,748,933	2,584,100	2,629,662	2,664,951	2,671,651	2,813,059
971,872	882,036	776,879	755,675	341,864	285,589	334,166
-	-	-	-	-	23,471	38,669
191,367	293,264	29,935	145,482	160,201	109,623	84,388
-	-	-	-	59,129	66,313	-
-	-	-	-	-	11,884	199,927
-	-	-	-	-	12,918	30,142
34,844,417	36,638,833	34,920,645	47,454,168	52,386,497	35,532,170	30,617,676
39,192,950	41,745,559	38,782,076	51,784,846	56,075,662	39,088,829	34,738,053
39,192,950	41,745,559	38,782,076	51,784,846	56,075,662	39,088,829	34,738,053

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2018	2017	2016
Net (Expense) / Revenue:			
Governmental Activities	$ (195,823,719)	$ (214,677,837)	$ (206,975,946)
Total Primary Government Net (Expense)/Revenue	(195,823,719)	(214,677,837)	(206,975,946)
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	126,900,406	127,044,616	121,304,611
State Aid - Formula Grants	95,110,955	94,400,991	102,779,386
Unrestricted Grants and Contributions	208,171		23,999
Investment Earnings	4,561,526	2,446,240	687,509
Miscellaneous Income	567,982	201,980	294,298
Total Governmental Activities	227,349,040	224,093,827	225,089,803
Total Primary Government	227,349,040	224,093,827	225,089,803
Change in Net Position			
Governmental Activities	31,525,321	9,415,990	18,113,857
Total Primary Government	$ 31,525,321	$ 9,415,990	$ 18,113,857

2015	2014	2013	2012	2011	2010	2009
$ (193,367,281)	$ (182,780,712)	$ (172,743,924)	$ (174,478,206)	$ (172,940,948)	$ (174,692,874)	$ (168,335,446)
(193,367,281)	(182,780,712)	(172,743,924)	(174,478,206)	(172,940,948)	(174,692,874)	(168,335,446)
112,784,242	101,858,021	82,406,881	82,638,413	84,019,149	79,970,986	$ 70,110,785
111,798,949	104,724,697	90,609,429	89,566,964	88,240,597	96,509,112	98,205,339
69,486	86,213	3,524,025	3,619	133,886	366	7,260
206,950	167,415	195,268	226,543	285,073	1,041,617	2,709,581
298,220	266,551	325,679	213,661	166,548	37,369	71,096
225,157,847	207,102,897	177,061,282	172,649,200	172,845,253	177,559,450	171,104,061
225,157,847	207,102,897	177,061,282	172,649,200	172,845,253	177,559,450	171,104,061
31,790,566	24,322,185	4,317,358	(1,829,006)	(95,695)	2,866,576	2,768,615
$ 31,790,566	$ 24,322,185	$ 4,317,358	$ (1,829,006)	$ (95,695)	$ 2,866,576	$ 2,768,615

GALENA PARK INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified Accrual Basis of Accounting)

	2018	2017	2016	2015
General Fund				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	304,129	306,603	268,136	264,221
Assigned	58,758,224	57,700,343	55,725,484	43,270,858
Unassigned	94,042,578	87,793,932	82,326,206	79,206,234
Total General Fund	$ 153,104,931	$ 145,800,878	$ 138,319,826	$ 122,741,313
All other governmental funds				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	-	-	411,560	296,283
Restricted	86,386,208	78,363,471	10,598,276	7,570,842
Committed	979,669	1,025,607	1,102,102	1,177,195
Unassigned	-	-	-	-
Total all other governmental funds	$ 87,365,877	$ 79,389,078	$ 12,111,938	$ 9,044,320

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

2014	2013	2012	2011	2010	2009
$ -	$ -	$ -	$ -	$ 2,481,483	$ 2,481,483
-	-	-	-	41,272,266	41,272,266
307,509	2,197,568	2,237,057	1,671,045	-	-
62,387,369	31,379,551	30,576,739	28,828,263	-	-
37,350,825	43,934,114	22,881,292	18,590,443	-	-
$ 100,045,703	$ 77,511,233	$ 55,695,088	$ 49,089,751	$ 43,753,749	$ 43,753,749
$ -	$ -	$ -	$ -	$ 8,881,453	$ 8,451,723
-	-	-	-	22,880,112	10,909,530
328,052	330,573	259,018	391,839	-	-
15,290,632	14,938,506	15,433,451	20,337,361	-	-
1,105,276	1,118,844	1,117,250	925,527	-	-
-	74,845	-	(2,513)	-	-
$ 16,723,960	$ 16,462,768	$ 16,809,719	$ 21,652,214	$ 31,761,565	$ 19,361,253

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	2018	2017	2016
Revenues			
Local, intermediate, and out-of-state	$ 136,892,734	$ 133,337,630	$ 128,445,612
State program revenues	108,204,475	107,035,082	111,995,083
Federal program revenues	34,007,875	27,173,751	26,322,625
Total revenues	279,105,084	267,546,463	266,763,320
Expenditures			
Current:			
Instruction	129,063,669	123,706,019	119,942,290
Instruction resources and media services	2,591,408	2,464,077	2,474,879
Curriculum and instructional staff development	5,486,693	5,726,416	5,238,950
Instructional leadership	6,275,181	5,903,738	5,533,203
School leadership	14,844,711	13,964,197	13,251,279
Guidance, counseling and evaluation services	7,636,819	7,322,810	7,386,617
Social work services	1,034,714	883,931	820,905
Health services	1,831,454	1,824,679	1,743,465
Student transportation	8,974,070	9,887,235	6,963,858
Food services	15,128,504	13,250,802	14,151,542
Extracurricular activities	4,884,225	5,097,570	4,841,762
General administration	8,300,263	8,283,519	7,668,435
Facilities maintenance and operations	25,999,768	24,044,269	25,359,501
Security and monitoring services	2,565,479	2,480,853	2,590,903
Data processing services	3,918,590	3,530,405	3,294,586
Community services	1,592,004	1,585,371	1,365,667
Principal on long-term debt	28,434,482	48,217,460	12,243,335
Interest on long-term debt	11,469,245	11,631,463	8,596,257
Bond issuance costs and fees	957,353	1,757,777	9,060
Facilities acquisition and construction expenditures	93,708,297	26,244,957	3,817,722
Payments to appraisal districts	936,346	937,503	908,466
Total Expenditures	375,633,275	318,745,051	248,202,682
Excess (deficiency) of revenues over (under) expenditures	(96,528,191)	(51,198,588)	18,560,638
Other financing sources (uses)			
Refunding bonds issued	14,880,000	41,000,000	-
Capital related debt issued (regular bonds)	85,350,000	87,315,000	-
Sale of real or personal property	157,017	96,947	85,493
Transfers in	-	-	4
Premium or discount on issuance of bonds	11,422,026	11,141,318	-
Transfers out	-	-	(4)
Payment to bond refunding escrow agent	-	(13,213,931)	-
Other resources	-	-	-
Other uses - court ordered tax refunds	-	-	-
Total other financing sources (uses)	111,809,043	126,339,334	85,493
Net change in Fund Balances	$ 15,280,852	$ 75,140,746	$ 18,646,131
Debt service as a percentage of noncapital expenditures*	13.90%	20.60%	8.61%

* 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.

2015	2014	2013	2012	2011	2010	2009
$ 115,585,283	$ 107,545,114	$ 100,870,878	$ 86,839,658	$ 88,352,462	$ 87,446,212	$ 84,497,542
122,134,322	115,638,378	111,519,829	100,431,290	101,831,613	99,495,102	107,326,585
24,897,318	25,663,538	25,300,766	28,555,473	35,122,701	41,171,536	24,513,530
262,616,923	248,847,030	237,691,473	215,826,421	225,306,776	228,112,850	216,337,657
116,123,750	108,236,343	105,345,195	104,778,613	113,533,933	116,343,652	108,274,823
2,261,229	2,297,366	2,096,006	2,156,143	2,238,478	2,250,754	2,146,819
5,099,920	4,741,875	4,465,590	4,486,751	5,322,015	5,883,925	5,135,790
5,315,963	5,040,251	4,807,130	4,699,674	5,027,723	4,851,875	4,366,090
12,087,329	11,495,594	9,780,324	9,733,219	10,470,061	11,055,609	10,162,127
6,886,719	5,900,141	5,905,014	5,558,339	6,582,751	6,881,197	6,087,783
543,602	578,533	466,373	417,632	386,115	534,991	591,089
1,708,342	1,653,579	1,580,846	1,606,261	1,695,358	1,686,373	1,535,239
5,647,991	5,705,878	5,610,045	5,210,690	5,098,572	5,446,174	4,762,776
13,497,039	13,146,607	12,385,551	12,037,705	13,163,036	11,077,711	11,113,215
4,428,695	4,198,630	3,533,511	3,384,149	4,182,803	3,885,984	3,345,017
7,366,069	6,824,006	6,348,851	6,143,821	6,732,709	6,980,173	5,856,038
28,443,150	26,445,792	21,969,662	21,411,993	23,414,498	21,786,715	20,754,911
2,575,648	2,839,113	2,412,958	2,044,109	2,006,943	2,332,810	2,104,542
3,799,413	2,271,870	2,635,290	2,826,525	2,449,516	2,051,911	2,694,735
1,436,163	1,408,332	1,395,984	1,406,599	1,373,535	1,305,020	1,284,313
10,975,838	10,528,062	9,904,288	8,124,325	10,848,290	10,025,749	9,199,916
9,044,466	9,871,530	11,049,145	13,148,832	10,496,688	10,771,053	11,195,372
174,015	172,598	533,905	166,082	165,893	99,352	-
680,693	294,454	3,892,873	4,583,902	8,337,870	3,175,535	5,004,840
857,019	764,804	721,839	680,484	687,831	667,412	586,095
238,953,053	224,415,358	216,840,380	214,605,848	234,214,618	229,093,975	216,201,530
23,663,870	24,431,672	20,851,093	1,220,573	(8,907,842)	(981,125)	136,127
9,505,000	8,970,000	37,990,000	9,234,299	9,250,000	-	-
-	-	-	-	-	17,000,000	-
84,150	41,806	34,816	230,813	79,973	39,096	24,581
-	13,427	79,105	1,346,897	235,750	68,924	28,106
456,463	986,842	3,212,391	745,214	671,423	85,170	-
-	(13,427)	(79,105)	(1,346,897)	(235,750)	(40,928)	(27,948)
(18,693,513)	(9,787,132)	(40,619,106)	(9,796,601)	(9,753,590)	-	-
-	-	-	128,542	89,284	26,578	-
-	-	-	-	-	-	(81,480)
(8,647,900)	211,516	618,101	542,267	337,090	17,178,840	(56,741)
$ 15,015,970	$ 24,643,188	$ 21,469,194	$ 1,762,840	$ (8,570,752)	$ 16,197,715	$ 79,386
8.50%	9.34%	9.97%	10.53%	9.32%	9.40%	10.34%

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

	2018	2017	2016	2015
Revenues from Local and Intermediate Sources:				
Property Taxes	$ 127,052,391	$ 126,197,919	$ 122,825,737	$ 110,746,646
Food Sales	1,721,115	2,147,598	2,333,083	2,396,720
Earnings on Investments	4,561,526	2,446,240	687,500	206,953
Cocurricular / Student Activities	1,486,254	1,636,307	1,753,061	1,143,482
Other Revenues from Local and Intermediate Sources	2,071,448	909,566	846,231	1,091,482
Total Revenue from Local and Intermediate Sources	136,892,734	133,337,630	128,445,612	115,585,283
State Program Revenues:				
Foundation School Formula	90,716,034	85,840,648	97,269,336	102,427,994
TRS On-behalf Revenue	9,990,020	9,012,952	8,871,824	8,584,055
Debt Allotment	297,857	293,518	1,645,363	2,340,175
Available School Fund (Per Capita)	4,378,235	8,202,430	3,790,886	5,505,980
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	2,371,307	2,779,972	-	1,647,182
TRS Employee Health Insurance	-	-	-	1,451,572
Other State Program Revenues **	451,022	905,562	417,674	177,364
Total State Program Revenues	108,204,475	107,035,082	111,995,083	122,134,322
Federal Program Revenues:				
State Fiscal Stabilization Fund	-	-	-	-
National School Breakfast and Lunch Program	13,311,988	10,877,567	11,012,191	10,597,174
ESEA Title I, Part A - Improving Basic Programs	5,531,025	5,260,683	5,132,166	5,307,455
IDEA Part B - Formula	3,642,371	3,778,859	3,515,491	3,727,742
IDEA Part B - Formula - ARRA	-	-	-	-
ESEA Title I, Part A - Improving Basic Programs - ARRA	-	-	-	-
SHARS	2,579,298	2,127,418	1,634,964	-
ESEA Title II, Part A - Teacher, Principal, Training, Recruiting	567,266	650,054	682,687	726,222
Early Head Start	802,344	795,590	781,856	781,856
ESEA Title III, Part A	699,755	927,765	683,384	658,421
USDA Commodities	1,131,030	1,051,725	979,489	846,558
Advanced Placement Incentive Program	-	12,968	-	-
E-Rate	378,343	406,155	498,286	656,906
Vocational Education - Carl D. Perkins	317,990	253,670	-	-
ESEA Title II, Part D - Technology Immersion Pilot (TIP)	-	-	-	726,222
Title I, Part C	114,610	184,710	-	-
21st Century	330,747	307,558	331,383	406,429
Education Jobs Fund	-	-	-	-
FEMA Disaster Assistance***	-	-	-	-
Other Federal Program Revenue **	4,601,108	539,029	1,070,728	462,333
Total Federal Program Revenues	34,007,875	27,173,751	26,322,625	24,897,318
Total Revenues for Governmental Funds	$ 279,105,084	$ 267,546,463	$ 266,763,320	$ 262,616,923

* 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

2014	2013	2012	2011	2010	2009
$ 101,898,646	$ 96,060,301	$ 82,518,824	$ 83,600,427	$ 83,277,367	$ 79,685,962
2,750,940	2,655,573	2,584,201	2,629,662	2,664,951	2,649,521
167,415	177,448	195,268	226,543	284,441	1,023,944
1,062,967	1,367,827	1,121,203	1,025,400	639,550	551,336
1,665,146	609,729	420,162	870,430	579,903	586,779
107,545,114	100,870,878	86,839,658	88,352,462	87,446,212	84,497,542
96,750,134	89,799,577	81,902,071	79,814,416	82,113,931	85,971,145
7,975,683	6,868,878	7,395,226	8,193,606	7,069,140	7,611,883
2,553,951	4,503,773	3,597,685	3,134,120	3,700,428	5,443,920
5,347,184	9,490,102	5,056,922	6,555,194	2,364,313	5,053,058
-	-	1,454,823	1,480,587	1,410,553	-
-	-	-	-	923,541	1,357,418
-	-	-	591,107	588,162	588,152
-	-	-	-	362,670	-
-	-	-	-	-	461,089
-	-	351,661	322,868	-	-
2,834,175	560,990	503,730	1,181,649	-	-
-	-	-	-	-	-
177,251	296,509	169,172	558,066	962,364	839,920
115,638,378	111,519,829	100,431,290	101,831,613	99,495,102	107,326,585
-	-	-	7,685,510	9,496,712	633,177
10,280,909	9,978,169	9,218,262	9,151,875	8,387,965	7,442,637
5,111,193	5,038,958	5,436,695	5,777,650	6,158,912	6,104,877
3,956,789	3,547,960	3,613,526	3,819,176	3,959,045	4,696,208
-	-	-	1,115,174	3,371,003	-
-	-	-	653,454	2,899,607	-
1,606,362	1,588,777	958,755	1,316,842	1,324,154	-
744,649	718,650	734,977	959,530	925,830	879,855
732,369	772,064	744,934	766,216	754,745	766,954
554,948	668,683	889,017	683,393	717,819	769,864
871,112	856,296	720,258	762,388	583,059	680,583
-	-	-	457,761	575,924	-
694,871	678,780	399,938	615,467	421,917	-
-	-	-	-	-	312,802
-	-	-	-	-	-
184,509	-	345,741	-	-	-
253,876	-	536,926	-	-	458,130
-	-	3,792,270	-	-	-
-	-	-	-	-	421,641
671,951	1,452,429	1,164,174	1,358,265	1,594,844	1,346,802
25,663,538	25,300,766	28,555,473	35,122,701	41,171,536	24,513,530
$ 248,847,030	$ 237,691,473	$ 215,826,421	$ 225,306,776	$ 228,112,850	$ 216,337,657

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		
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
2018	5,353,434,805	5,230,755,233	(2,406,483,054)	8,177,706,984

(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
$ 1.45590	$ 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%
1.56330	10,681,744,645	77%

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

Taxing Authority	2018	2017	2016	2015
Overlapping Rates:				
Cities:				
Galena Park, City of	$ 1.03745	$ 1.03745	$ 1.03745	$ 1.04745
Houston, City of	0.58421	0.58642	0.60112	0.63108
Jacinto City, City of	0.78355	0.78355	0.78355	0.79991
Counties:				
Harris Co	0.41801	0.41656	0.41923	0.41731
Municipal Utility Districts:				
Harris Co MUD #8	0.57000	0.58250	0.58250	0.64000
Harris Co MUD #53	0.60000	0.66000	0.74000	0.81000
Harris Co MUD #285	0.72000	0.74000	0.81000	0.90000
Water Control and Improvement Districts:				
Harris Co WC&ID #36	0.35000	0.35000	0.35000	0.35000
Port of Houston Authority	0.01256	0.01334	0.01342	0.01531
Other Governmental Entities:				
Harris Co Dept. of Education	0.00520	0.00520	0.00542	0.00600
Harris Co Flood Control District	0.02831	0.02829	0.02733	0.02736
Harris Co FWSD #51	0.25000	0.25700	0.28200	0.30000
San Jacinto Community College District	0.18334	0.18238	0.17578	0.18560
District Direct Rates:				
Maintenance and Operations	1.24330	1.24330	1.24330	1.24330
Debt Service	0.32000	0.32000	0.27010	0.27010
Total District Direct Rates	$ 1.56330	$ 1.56330	$ 1.51340	$ 1.51340

Source: Harris County Appraisal District

Table 7

2014	2013	2012	2011	2010	2009
$ 1.04745	$ 1.05745	$ 1.03745	$ 1.03745	$ 1.03745	$ 1.03745
0.63875	0.63875	0.63875	0.63875	0.63875	0.63875
0.79991	0.76612	0.79593	0.80153	0.72107	0.66147
0.41455	0.40021	0.39117	0.38805	0.39224	0.38923
0.68000	0.68000	0.56500	0.54250	0.52750	0.47000
0.88000	0.91000	0.87500	0.82500	0.79500	0.79500
0.96000	0.98000	0.94500	0.93000	0.93000	0.90000
0.33000	0.31000	0.29000	0.29000	0.28000	0.28000
0.01716	0.01952	0.01856	0.02054	0.01640	0.01770
0.00636	0.00662	0.00658	0.06581	0.06050	0.05840
0.02827	0.02809	0.02809	0.02923	0.02920	0.03090
0.33000	0.34500	0.34000	0.32000	0.02922	0.03086
0.18560	0.18560	0.18560	0.17628	0.17080	0.16341
1.24330	1.24330	1.18340	1.18340	1.18340	1.18340
0.27010	0.27010	0.33000	0.33000	0.29500	0.27250
$ 1.51340	$ 1.51340	$ 1.51340	$ 1.51340	$ 1.47840	$ 1.45590

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Table 8*

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2018			2009		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Helmerich & Payne	$ 324,746,059	1	3.97%	$ 169,427,083	2	3.10%
Enterprise Terminaling LLC	224,674,831	2	2.75%			
Oiltanking Houston Inc	215,877,786	3	2.64%	122,067,212	4	2.23%
Magellan Terminal Holdings	205,313,972	4	2.51%			
Oiltanking Houston LP	190,466,937	5	2.33%			
Shell Oil Co	152,722,720	6	1.87%	90,399,067	9	1.65%
Higman Barge Lines Inc (FKA Maryland Marine Inc)	139,873,309	7	1.71%			
Targa Midstream	123,747,125	8	1.51%			
Stolt Nielsen Inc.	123,040,282	9	1.50%			
Kinder Morgan Crude & Condensate LLC	112,945,286	10	1.38%			
GE Packaged Power LP				225,460,753	1	4.12%
Chevron Chemical Co				155,090,352	3	2.84%
Magellan Terminal Holdings				119,565,760	5	2.19%
Houston Fuel Co				91,321,835	6	1.67%
Maryland Marine Inc.				85,063,122	7	1.56%
GB Biosciences Corp				83,695,490	8	1.53%
Wilson Supply				77,443,672	10	1.42%
	$ 1,813,408,307		22.18%	$ 1,219,534,346		22.31%

Source: District Records

GALENA PARK INDEPENDENT SCHOOL DISTRICT *Table 9*
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

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
2009	$ 80,170,869	$ 77,745,766	96.98%	$ 1,048,712	$ 78,794,478	98.28%
2010	83,032,078	81,391,301	98.02%	1,450,188	82,841,489	99.77%
2011	82,298,034	81,347,725	98.85%	786,659	82,134,384	99.80%
2012	81,218,221	80,669,815	99.32%	387,536	81,057,351	99.80%
2013	95,282,129	94,771,892	99.46%	190,129	94,962,021	99.66%
2014	100,723,235	100,810,877	100.09%	(471,156)	100,339,721	99.62%
2015	110,735,634	109,459,347	98.85%	928,593	110,387,940	99.69%
2016	122,637,132	121,009,127	98.67%	1,043,956	122,053,083	99.52%
2017	125,971,409	124,665,857	98.96%	545,519	125,211,376	99.40%
2018	126,720,366	124,470,324	98.22%		124,470,324	98.22%

(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 *Table 10*

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities: Schoolhouse and Refunding Bonds	Governmental Activities: Qualified Zone Academy Bonds	Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt per Student (2)
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
2018	389,905,689	689,916	390,595,605	4.78%	17,290

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 *Table 11*

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

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)
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
2018	389,905,689	11,195,980	378,709,709	4.63%	16,764

(1) See Table 6 for assessed value information.

(2) See Table 17 for student enrollment.

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GALENA PARK INDEPENDENT SCHOOL DISTRICT *Table 12*

COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT

For the Year Ended August 31, 2018

Governmental Unit	Net Debt Amount	Net Debt As Of	Percentage Overlapping	Amount of Overlapping Debt
Cities:				
Galena Park	$ 5,735,000	03/31/18	100.00%	$ 5,735,000
Houston	3,507,076,391	06/30/17	0.32%	11,222,644
Jacinto City	2,230,000	03/31/18	36.45%	812,835
Counties:				
Harris	1,950,191,220	02/28/17	1.86%	36,273,557
Municipal Utility Districts:				
Harris Co. MUD 8	3,460,000	03/31/18	100.00%	3,460,000
Harris Co. MUD 53	13,320,941	10/10/17	25.53%	3,400,836
Harris Co. MUD 285	50,319,831	07/20/17	66.85%	33,638,807
Water Control and Improvement Districts				
Harris Co. WC&ID 36	11,050,000	03/31/18	100.00%	11,050,000
Port of Houston Authority	638,829,397	03/31/18	1.86%	11,882,227
Other Governmental Entities:				
Harris County Department of Education	6,555,000	03/31/18	1.86%	121,923
Harris County Flood Control District	78,933,801	02/28/17	1.86%	1,468,169
Harris Co. FWSD 47	5,830,000	03/31/18	22.14%	1,290,762
Harris Co. FWSD 51	9,639,466	06/30/17	100.00%	9,639,466
Harris County Hospital District	59,490,000	03/31/18	1.86%	1,106,514
Harris County Toll Road Authority	-	02/28/17	1.86%	-
San Jacinto Community College District	381,881,805	03/31/18	16.69%	63,736,073
	Subtotal, overlapping debt			194,838,813
	Galena Park Independent School District Direct Debt			390,595,605
	Total Direct and Overlapping Debt			$ 585,434,418

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

	2018	2017	2016	2015
Debt Limit	$ 1,058,419,004	$ 1,021,936,312	$ 1,030,578,622	$ 968,388,190
Less: Total Net Debt Applicable to Limit	377,143,291	237,832,528	161,102,136	177,003,817
Legal Debt Margin	$ 681,275,713	$ 784,103,784	$ 869,476,486	$ 791,384,373
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	35.63%	23.27%	15.63%	18.28%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Taxable Value	$ 8,177,706,984
Add back:	
Exempt Real Property	2,406,483,054
Total Assessed Value	$ 10,584,190,038
Debt Limit (10% of total assessed value)	$ 1,058,419,004
Debt Applicable to Limit:	
Schoolhouse and Refunding Bonds	$ 387,649,355
Qualified Zone Academy Bonds	689,916
Less: Amount set aside for repayment of bonds	(11,195,980)
Total Net Debt Applicable to Limit	$ 377,143,291
Legal Debt Margin	$ 681,275,713

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

2014	2013	2012	2011	2010	2009
$ 888,794,715	$ 836,469,211	$ 732,506,483	$ 626,711,874	$ 732,506,483	$ 713,525,479
191,581,929	200,567,976	211,902,613	235,156,283	225,458,448	208,897,720
$ 697,212,786	$ 635,901,235	$ 499,406,933	$ 487,790,549	$ 391,555,591	$ 336,702,891
21.56%	23.98%	30.96%	31.82%	31.64%	37.52%

GALENA PARK INDEPENDENT SCHOOL DISTRICT ***Table 14***

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

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)
2009	20,526	$ 1,396,707,548	65,520	Not Available	Not Available	8.2%
2010	20,536	1,263,129,320	68,046	Not Available	Not Available	8.6%
2011	20,534	1,193,407,476	61,508	34,430	Not Available	8.1%
2012	20,572	1,150,278,910	58,119	35,150	Not Available	7.0%
2013	20,606	1,103,012,056	53,529	35,342	Not Available	6.1%
2014	20,669	1,131,283,208	54,733	36,042	Not Available	5.5%
2015	20,832	1,195,762,229	57,400	36,879	Not Available	4.6%
2016	20,911	1,210,395,703	57,883	51,831	Not Available	5.8%
2017	21,000	1,371,699,481	65,319	52,874	Not Available	5.2%
2018	21,123	1,490,080,386	70,543	53,815	Not Available	4.4%

(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 *Table 15*

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2018			2009 [1]		
Taxpayer	**Employees**	**Rank**	**Percentage of Principal Employers**	**Employees**	**Rank**	**Percentage of Principal Employers**
Galena Park Independent School District	3,222	1	59%			
Walmart	710	2	13%			
Chevron	331	3	6%			
Shell Oil Products	225	4	4%			
Sam's Club East Freeway	200	5	4%			
United States Gypsum Co	190	6	3%			
Home Depot	175	7	3%			
Lowes	147	8	3%			
National Oilwell Varco	124	9	2%			
Academy	112	10	2%			
	5,436		100.00%			

[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

	2018	2017	2016	2015
Professional Staff				
Teachers	1,409	1,401	1,410	1,380
Professional Support	370	393	401	380
Campus Administration	80	78	80	77
Central Administration	50	57	51	47
Education Aides	239	245	204	223
Auxiliary Staff	1,074	980	794	870
Total	3,222	3,153	2,940	2,977

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

Table 16

2014	2013	2012	2011	2010	2009
1,473	1,480	1,492	1,537	1,573	1,520
263	297	270	307	274	285
76	69	65	74	70	72
51	11	35	29	34	27
177	127	98	134	167	141
918	956	1,014	1,023	976	976
2,958	2,940	2,974	3,104	3,094	3,021

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
2009	19,780	$ 190,801,402	$ 9,646	$ 213,781,703.00	$ 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	230,893,394	10,899	260,630,662	12,303
2018	20,899	241,063,898	11,534.71	204,436,023	9,782

Source: District Records

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

Table 17

District Employees				Final	Percentage Increase	Student / Teacher	Students Participating in Free/Reduced
Teachers	Professionals	Other	Total	Enrollment	in Enrollment	Ratio	Lunch Program
1,520	285	1,216	3,021	21,208	0.790%	14	17,983
1,573	274	1,247	3,094	21,409	0.95%	14	17,761
1,537	307	1,260	3,104	21,557	0.69%	14	16,842
1,492	270	1,212	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
1,409	370	1,443	3,222	22,591	-0.85%	16	17,964

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GALENA PARK INDEPENDENT SCHOOL DISTRICT ***Table 18***
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Statewide Average (2)
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
2018	54,000	76,700	53,334

(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	2018	2017	2016	2015
HIGH SCHOOLS					
Galena Park	1950				
Square Footage		277,914	277,914	277,914	277,914
Additions					
Revised Sq Ft		277,914	277,914	277,914	277,914
Capacity (see note #1)		1,869	1,869	1,869	1,869
Enrollment		2,016	2,051	2,062	1,967
North Shore West	1954				
Square Footage		390,876	390,876	390,876	390,876
Additions					
Revised Sq Ft		390,876	390,876	390,876	390,876
Capacity (see note #1)		1,678	1,678	1,678	1,678
Enrollment		1,192	1,251	1,185	1,184
North Shore East (see note #3)	1956				
Square Footage		120,555	120,555	120,555	120,555
Additions					
Revised Sq Ft		120,555	120,555	120,555	120,555
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		492,913	492,913	492,913	492,913
Capacity (see note #1)		3,384	3,384	3,384	3,384
Enrollment		3,586	3,590	3,468	3,373
Sub-Total Sq Ft. High Schools		**1,282,258**	**1,282,258**	**1,282,258**	**1,282,258**
MIDDLE SCHOOLS					
Galena Park	1993				
Square Footage		149,394	149,394	149,394	149,394
Additions					
Revised Sq Ft		149,394	149,394	149,394	149,394
Capacity (see note #1)		1,106	1,106	1,106	1,106
Enrollment		1,013	1,024	999	971
North Shore	1993				
Square Footage		216,836	216,836	216,836	216,836
Additions					
Revised Sq Ft		216,836	216,836	216,836	216,836
Capacity (see note #1)		1,449	1,449	1,449	1,449
Enrollment		1,406	1,398	1,396	1,365

2014	2013	2012	2011	2010	2009
277,914	277,914	277,914	277,914	277,914	277,914
277,914	277,914	277,914	277,914	277,914	277,914
1,869	1,869	1,869	1,869	1,869	1,869
2,025	1,915	1,867	1,733	1,857	1,800
390,876	390,876	390,876	390,876	390,876	390,876
390,876	390,876	390,876	390,876	390,876	390,876
1,678	1,678	1,678	1,678	1,678	1,678
1,036	1,156	1,122	1,193	1,135	1,087
120,555	120,555	120,555	120,555	120,555	120,555
120,555	120,555	120,555	120,555	120,555	120,555
1,134	1,134	1,134	1,134	1,134	1,134
492,913	492,913	492,913	492,913	492,913	492,913
492,913	492,913	492,913	492,913	492,913	492,913
3,384	3,384	3,384	3,384	3,384	3,384
3,257	3,319	3,322	3,241	3,052	2,967
1,282,258	**1,282,258**	**1,282,258**	**1,282,258**	**1,282,258**	**1,282,258**
149,394	149,394	149,394	149,394	149,394	149,394
149,394	149,394	149,394	149,394	149,394	149,394
1,106	1,106	1,106	1,106	1,106	1,106
1,039	1,052	1,072	1,060	1,002	1,003
216,836	216,836	216,836	216,836	216,836	216,836
216,836	216,836	216,836	216,836	216,836	216,836
1,449	1,449	1,449	1,449	1,449	1,449
1,344	1,310	1,269	1,324	1,304	1,357

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

Building:	Year Built	2018	2017	2016	2015
MIDDLE SCHOOLS (continued)					
Woodland Acres	1947				
Square Footage		97,086	97,086	97,086	97,086
Additions					
Revised Sq Ft		97,086	97,086	97,086	97,086
Capacity (see note #1)		659	659	659	659
Enrollment		534	542	523	517
Cunningham	1981				
Square Footage		167,234	167,234	167,234	167,234
Additions					
Revised Sq Ft		167,234	167,234	167,234	167,234
Capacity (see note #1)		1,123	1,123	1,123	1,123
Enrollment		988	958	945	945
Cobb 6th Grade Campus	2000				
Square Footage		130,893	130,893	130,893	130,893
Additions					
Revised Sq Ft		130,893	130,893	130,893	130,893
Capacity (see note #1)		1,240	1,240	1,240	1,240
Enrollment		1,142	1,168	1,167	1,157
Sub-Total Sq Ft. Middle Schools		**761,443**	**761,443**	**761,443**	**761,443**
ELEMENTARY SCHOOLS					
Cimarron	1954				
Square Footage		90,123	90,123	90,123	90,123
Additions					
Revised Sq Ft		90,123	90,123	90,123	90,123
Capacity (see note #1)		1,034	1,034	1,034	1,034
Enrollment		749	799	799	791
Cloverleaf	1942				
Square Footage		89,346	89,346	89,346	89,346
Additions					
Revised Sq Ft		89,346	89,346	89,346	89,346
Capacity (see note #1)		1,048	1,048	1,048	1,048
Enrollment		836	805	831	812
Galena Park	2018				
Square Footage (see note #4)		79,396	79,396	79,396	79,396
Additions					
Revised Sq Ft		79,396	79,396	79,396	79,396
Capacity (see note #1)		700	700	700	700
Enrollment		603	622	644	628

2014	2013	2012	2011	2010	2009
97,086	97,086	97,086	97,086	97,086	97,086
97,086	97,086	97,086	97,086	97,086	97,086
659	659	659	659	659	659
459	458	472	487	509	487
167,234	167,234	167,234	167,234	162,765	162,765
167,234	167,234	167,234	167,234	162,765	162,765
1,123	1,123	1,123	1,123	1,047	1,047
998	887	913	907	932	888
130,893	130,893	130,893	130,893	130,893	130,893
130,893	130,893	130,893	130,893	130,893	130,893
1,240	1,240	1,240	1,240	1,240	1,240
1,063	1,155	1,162	1,009	1,066	1,098
761,443	**761,443**	**761,443**	**761,443**	**756,974**	**756,974**
90,123	90,123	90,123	90,123	90,123	90,123
90,123	90,123	90,123	90,123	90,123	90,123
1,034	1,034	1,034	1,034	1,034	1,034
833	809	810	807	855	880
89,346	89,346	89,346	89,346	89,346	89,346
89,346	89,346	89,346	89,346	89,346	89,346
1,048	1,048	1,048	1,048	1,048	1,048
871	845	804	836	777	779
79,396	79,396	79,396	79,396	79,396	79,396
79,396	79,396	79,396	79,396	79,396	79,396
700	700	700	700	700	700
671	670	655	667	643	649

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

Building:	Year Built	2018	2017	2016	2015
ELEMENTARY SCHOOLS (continued)					
Green Valley	1958				
Square Footage		96,041	96,041	96,041	96,041
Additions					
Revised Sq Ft		96,041	96,041	96,041	96,041
Capacity (see note #1)		988	988	988	988
Enrollment		763	780	806	765
Jacinto City	1943				
Square Footage		95,554	95,554	95,554	95,554
Additions					
Revised Sq Ft		95,554	95,554	95,554	95,554
Capacity (see note #1)		864	864	864	864
Enrollment		784	791	827	823
MacArthur	1951				
Square Footage		88,864	88,864	88,864	88,864
Additions					
Revised Sq Ft		88,864	88,864	88,864	88,864
Capacity (see note #1)		790	790	790	790
Enrollment		768	711	707	696
North Shore	2018				
Square Footage (see note #4)		88,789	88,789	88,789	88,789
Additions					
Revised Sq Ft		88,789	88,789	88,789	88,789
Capacity (see note #1)		920	920	920	920
Enrollment		969	995	987	959
Pyburn	1952				
Square Footage		73,654	73,654	73,654	73,654
Additions					
Revised Sq Ft		73,654	73,654	73,654	73,654
Capacity (see note #1)		720	720	720	720
Enrollment		653	642	649	633
Woodland Acres	2018				
Square Footage (see note #4)		62,010	62,010	62,010	62,010
Additions					
Revised Sq Ft		62,010	62,010	62,010	62,010
Capacity (see note #1)		499	499	499	499
Enrollment		469	459	438	437

2014	2013	2012	2011	2010	2009
96,041	96,041	96,041	96,041	96,041	96,041
96,041	96,041	96,041	96,041	96,041	96,041
988	988	988	988	988	988
720	701	679	669	621	626
95,554	95,554	95,554	95,554	95,554	95,554
95,554	95,554	95,554	95,554	95,554	95,554
864	864	864	864	864	864
828	860	792	822	796	817
88,864	88,864	88,864	88,864	88,864	88,864
88,864	88,864	88,864	88,864	88,864	88,864
790	790	790	790	790	790
721	730	726	735	780	792
88,789	88,789	88,789	88,789	88,789	88,789
88,789	88,789	88,789	88,789	88,789	88,789
920	920	920	920	920	920
915	912	885	854	878	851
73,654	73,654	73,654	73,654	73,654	73,654
73,654	73,654	73,654	73,654	73,654	73,654
720	720	720	720	720	720
681	683	652	623	644	640
62,010	62,010	62,010	62,010	62,010	62,010
62,010	62,010	62,010	62,010	62,010	62,010
499	499	499	499	499	499
419	422	426	453	444	444

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

Building:	Year Built	2018	2017	2016	2015
ELEMENTARY SCHOOLS (continued)					
Tice	1981				
Square Footage		80,680	80,680	80,680	80,680
Additions					
Revised Sq Ft		80,680	80,680	80,680	80,680
Capacity (see note #1)		792	792	792	792
Enrollment		690	714	700	690
Purple Sage	1990				
Square Footage		92,795	92,795	92,795	92,795
Additions					
Revised Sq Ft		92,795	92,795	92,795	92,795
Capacity (see note #1)		747	747	747	747
Enrollment		548	596	568	560
Havard	2000				
Square Footage		102,713	102,713	102,713	102,713
Additions					
Revised Sq Ft		102,713	102,713	102,713	102,713
Capacity (see note #1)		890	890	890	890
Enrollment		690	700	682	696
Normandy Crossing	2004				
Square Footage		106,800	106,800	106,800	106,800
Additions					
Revised Sq Ft		106,800	106,800	106,800	106,800
Capacity (see note #1)		777	777	777	777
Enrollment		664	668	643	630
Shirley J Williamson	2003				
Square Footage		105,000	105,000	105,000	105,000
Additions					
Revised Sq Ft		105,000	105,000	105,000	105,000
Capacity (see note #1)		797	797	797	797
Enrollment		688	628	641	621
Sam Houston	2007				
Square Footage		105,000	105,000	105,000	105,000
Additions					
Revised Sq Ft		105,000	105,000	105,000	105,000
Capacity (see note #1)		880	880	880	880
Enrollment		837	854	869	848
Sub-Total Sq Ft. Elementary Schools		**1,356,765**	**1,356,765**	**1,356,765**	**1,356,765**

2014	2013	2012	2011	2010	2009
80,680	80,680	80,680	80,680	80,680	80,680
80,680	80,680	80,680	80,680	80,680	80,680
792	792	792	792	792	792
733	707	675	637	637	664
92,795	92,795	92,795	92,795	92,795	84,495
					8,300
92,795	92,795	92,795	92,795	92,795	92,795
747	747	747	747	747	747
503	512	572	594	591	576
102,713	102,713	102,713	102,713	102,713	102,713
102,713	102,713	102,713	102,713	102,713	102,713
890	890	890	890	890	890
679	674	684	665	675	659
106,800	106,800	106,800	106,800	106,800	106,800
106,800	106,800	106,800	106,800	106,800	106,800
777	777	777	777	777	777
652	609	649	627	655	636
105,000	105,000	105,000	105,000	105,000	105,000
105,000	105,000	105,000	105,000	105,000	105,000
797	797	797	797	797	797
698	686	575	542	551	560
105,000	105,000	105,000	105,000	105,000	105,000
105,000	105,000	105,000	105,000	105,000	105,000
880	880	880	880	880	880
863	826	827	845	813	778
1,356,765	**1,356,765**	**1,356,765**	**1,356,765**	**1,356,765**	**1,356,765**

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

Building:	Year Built	2018	2017	2016	2015
OTHER CAMPUSES					
Becker Early Head Start	1978				
Square Footage		9,295	9,295	9,295	9,295
Additions					
Revised Sq Ft		9,295	9,295	9,295	9,295
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		9,651	9,651	9,651	9,651
Capacity		48	48	48	48
Enrollment		48	48	48	48
Sub-Total Sq Ft. Other Campuses		**18,946**	**18,946**	**18,946**	**18,946**
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	1955				
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/Natatorium	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		2,250	2,250	2,250	2,250
Sub-Total Sq Ft. Other Facilities		**240,001**	**240,001**	**240,001**	**240,001**
GRAND TOTAL		**3,659,413**	**3,659,413**	**3,659,413**	**3,659,413**

Source: District Records
Note #1: Capacity does not include temporary buildings
Note #2: This is a specialized campus where students are enrolled in either GPHS, NSSHS, or NSHS West.
Note #3: North Shore East consists of Accelerated Center for Education, Center for Success, Central Intake, and Success Academy
Note #4: New campus construction completed in 2018, open for the 2018-19 school year.

2014	2013	2012	2011	2010	2009
9,295	9,295	9,295	9,295	9,295	9,295
9,295	9,295	9,295	9,295	9,295	9,295
64	64	64	64	64	64
64	64	64	64	64	64
9,651	9,651	9,651	9,651	9,651	9,651
9,651	9,651	9,651	9,651	9,651	9,651
48	48	48	48	48	48
48	48	48	48	48	48
18,946	**18,946**	**18,946**	**18,946**	**18,946**	**18,946**
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	18,456	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	22,154	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	2,250				
240,001	**240,001**	**238,551**	**237,101**	**237,101**	**237,101**
3,659,413	**3,659,413**	**3,657,963**	**3,656,513**	**3,652,044**	**3,652,044**

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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.	$59,682,012
SF11	Net Pension Assets (1920) at fiscal year-end.	$0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	$48,789,176
SF13	Pension Expense (6147) at fiscal year-end.	