

CERTIFICATE OF BOARD

Galena Park Independent School District
Name of School District

Harris
County

101-910
Co.- Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2013, at a meeting of the board of trustees of such school district on January 13, 2014.


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 13, 2014

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, 2013.

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, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the District's financial statements for the period ended August 31, 2013, 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 Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The Galena Park Independent School District encompasses 33 square miles and is located in southeastern Harris County, Texas. Interstate Highway 10 bisects the District. While a small portion of the District is located inside the city limits of Houston, it also includes portions of the incorporated cities of Galena Park, Jacinto City, and the unincorporated communities of Greens Bayou, Woodland Acres, and the Cloverleaf Addition. The District is not included in any other governmental "reporting entity" since the Board of Trustees is elected by the public and has decision-making authority. Residents of the District elect a seven-member Board of Trustees. The respective Trustees serve overlapping three-year terms. There are no component units included in the reporting entity.

The purpose and responsibility of the District is to provide a thorough and efficient educational system for the 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 alternative high school campuses are well-known for innovative programs and academic accomplishments. The District educates children from diverse backgrounds. The student body reflects the cultural diversity of Texas. Of the approximately 22,100 students enrolled, 76% are Hispanic, 16% are African American, 6% are White, and 2% identify themselves as Asian/Pacific Islander or of more than one ethnicity.

The annual budget serves as the foundation for the District's financial planning and control. The budget development process begins in January with the Superintendent and administrative leadership team determining the budget parameters that will be used as a guide for the resource allocation process. All of the District's budget managers are required to submit requests for appropriations based on these parameters. Budget requests are forwarded to the Business Services Department for compilation and summarization. The Business Services Department personnel develop the draft budget and prioritize budget requests and potential budget reductions based on the principles established in the Superintendent's budget parameters. The preliminary budget is then presented and discussed with the Board of Trustees. The proposed budget must be prepared by August 20th for the September 1st fiscal year start date. The Board President must call a Board meeting for the purpose of discussing and adopting the budget and tax rate. A public

notice of this meeting is required to be published at least 10 days, but not more than 30 days, prior to the public meeting.

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

Factors Affecting Financial Condition

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

Local Economy. The District is located in the heart of the Houston Ship Channel industrial area, and the majority of the labor force is employed at nearby chemical plants and oil refineries. The Houston Ship Channel is located just south of the District boundary, and many residents are employed in the industrial area surrounding the Channel. The Port of Houston is one of the largest ports in the world in terms of foreign waterborne tonnage and total tonnage. Each year, more than 7,700 vessels and 150,000 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 1,026,000 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 \$178.5 billion of economic activity in Texas each year. Additionally, more than \$4.5 billion in state and local tax revenues are generated by business activities related to the port.

Economic Outlook. Houston's energy, healthcare, transportation and distribution sectors have supported continuous tax base growth. The District's tax base growth occurring during fiscal year ended 2013 and expected to continue at a slower pace in fiscal year 2014 can be directly attributed to the petrochemical industry. Shale gas exploration has created a highly affordable supply of natural gas. Natural gas is driving significant capital investments in the U.S. manufacturing industry. Numerous petrochemical expansion projects have been announced or are underway in the Houston Ship Channel area. Construction material needs supplied by area businesses and the creation of thousands of temporary and hundreds of permanent jobs to construct and maintain the new facilities will have a positive financial impact on the region.

Access. The District is connected to Downtown Houston via Interstate 10 and is also linked to the entire Houston metropolitan area via the Sam Houston Toll Road. Both of these thoroughfares pass through the center of the District. The District's proximity to Houston provides the area with access to one of the nation's leading centers for medical education and

research, many colleges and universities, a dynamic cultural arts community, excellent recreational opportunities, and a national center of commerce, world trade and corporate management.

Relevant Financial Policies

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

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

Financial Planning. The District is subject to revenue limitations as outlined in the Texas Education Code. The revenues are derived from a target revenue formula based primarily on student attendance, adjusted for funding "weights" associated with the students' educational settings. Under the target revenue system, the District's maintenance and operations revenues from property taxes and state aid are capped. As collections from property taxes increase, state aid is reduced by a similar amount. On an ongoing basis, the District adjusts future projections as new data become available. The District maintains a Five-year Technology plan and a Long-range facilities plan.

Awards and Acknowledgements

The TEA has awarded the District a rating of "Superior Achievement" for the year ended August 31, 2012. This is the tenth year of the State's financial accountability rating system for school districts (School FIRST). The rating is based upon an analysis of staff and student data reported for the 2011-12 school year and budgetary and actual financial data for the fiscal year ended August 31, 2012.

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 year ended August 31, 2012.

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 three consecutive years and the GFOA award for two 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 2013 certificate.

The State Comptroller's Financial Allocation Study of Texas (FAST) rated Galena Park ISD 5 stars out of 5 for the third consecutive year of FAST ratings. A five-star rating indicates the district is in the top 20 percent of the state in student academic growth and has a spending index of "very low." This means the district is in the lowest 20 percent of its fiscal peers in terms of core operating expenditures per student. FAST is a detailed study of Texas Public school funding and its relationship to the academic achievement.

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

Respectfully submitted,

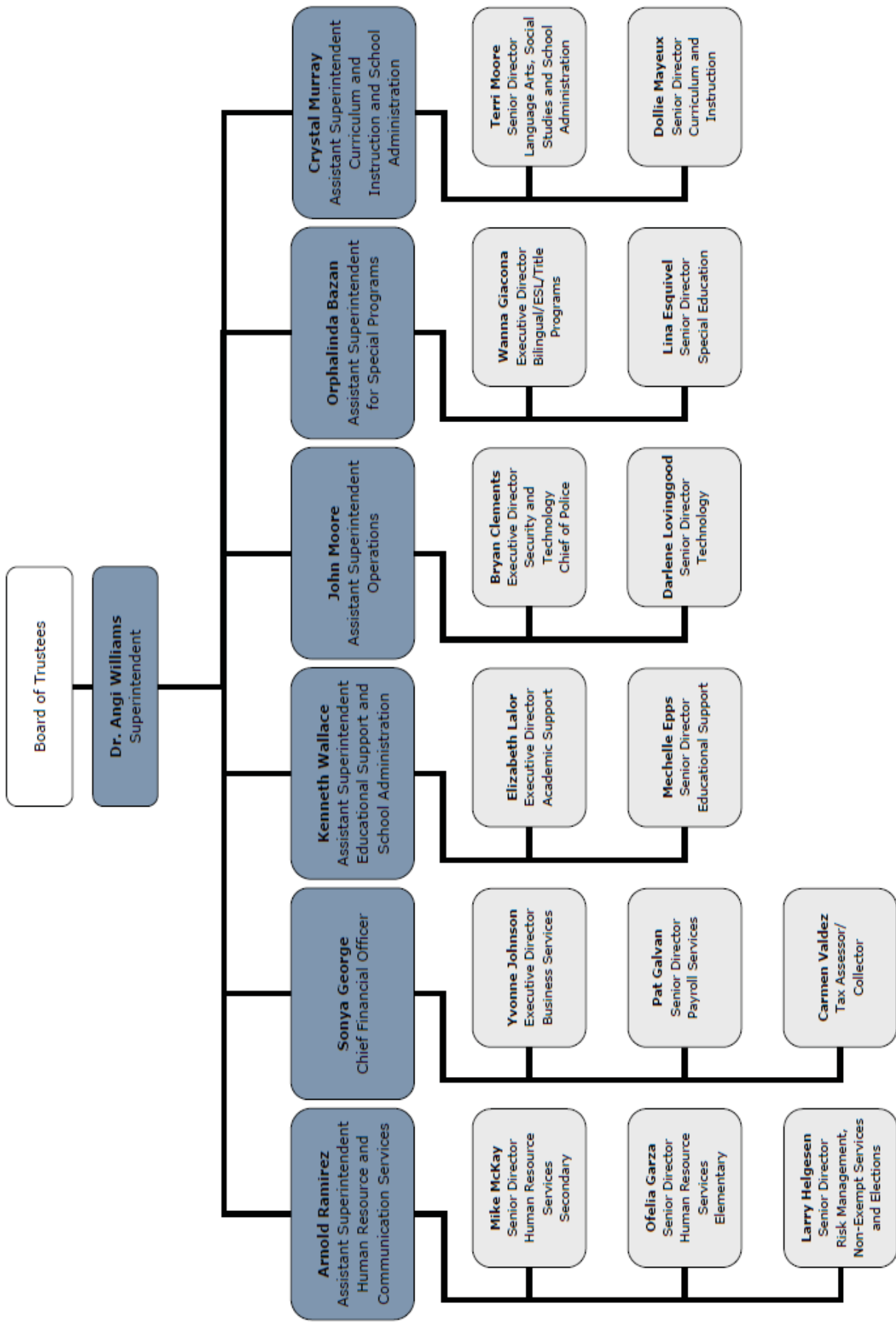
A handwritten signature in cursive script that reads "Angi Williams".

Angi Williams, Ed.D
Superintendent of Schools

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

Sonya George
Chief Financial Officer

Galena Park Independent School District Organizational Chart





Government Finance Officers Association

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

Presented to

**Galena Park
Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

Association of School Business Officials International



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

Galena Park Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

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

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Galena Park Independent School District
Galena Park, 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, 2013, 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, based on our audit and the report of other auditors, 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, 2013, 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 to the financial statements, the District adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* as of August 31, 2013. 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 14 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 and other auditors 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 the other information, such as the introductory and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, 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.

To the Board of Trustees
Galena Park Independent School District

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 6, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Houston, Texas
January 6, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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GALENA PARK INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Galena Park Independent School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2013.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$100,171,744 (*net position*). Of this amount, \$35,445,797 (*unrestricted net position*) may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position increased by \$24,877,473.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$93,974,001, an increase of \$21,469,194 in comparison with the prior year. The increase in governmental fund balances was primarily due to the increase in the general fund and debt service fund balances of \$21,816,145 and \$1,555,588, respectively.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$43,934,114, or 27 percent of total general fund expenditures.
- The District's total bonded debt decreased by \$10,510,568 (5 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 and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

The government-wide financial statements can be found on pages 16 through 17 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-two 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 the capital projects fund, all of which are considered to be major funds. Data from the other twenty-five 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.

The basic governmental fund financial statements can be found on pages 18 through 24 of this report.

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

Proprietary Fund

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

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

The basic proprietary fund financial statements can be found on pages 25 through 27 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 28 through 29 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 30 through 47 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. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information can be found on pages 51 through 52 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 56 through 74 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$100,171,744 at the close of the most recent fiscal year.

The largest portion of the District's net position (\$49,874,363) reflects its 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. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Galena Park Independent School District's Net Position

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 111,021,140	\$ 89,630,426
Capital assets	259,092,422	264,079,199
Total Assets	<u>370,113,562</u>	<u>353,709,625</u>
Current liabilities	7,617,655	7,713,471
Long term liabilities	262,324,163	270,701,883
Total Liabilities	<u>269,941,818</u>	<u>278,415,354</u>
Net Position:		
Net investment in capital assets	49,874,363	42,188,128
Restricted	14,851,584	13,023,826
Unrestricted	35,445,797	20,082,317
Total Net Position	<u>\$ 100,171,744</u>	<u>\$ 75,294,271</u>

Net position (\$14,851,584) is restricted for state, federal and local programs, debt service and campus activities. The remaining balance of *unrestricted net position* (\$35,445,797) may be used to meet the District's ongoing obligations to students and creditors. The District's net position increased by \$24,877,473 during the current fiscal year primarily due to the increase in property tax and state aid revenues.

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

Galena Park Independent School District's Changes in Net Position

	<u>2013</u>	<u>2012</u>
Program Revenues		
Charges for services	\$ 4,258,050	\$ 3,861,431
Operating grants	33,165,174	34,920,645
General Revenues		
Property taxes	96,263,557	82,406,881
State aid	103,793,652	90,609,429
Grants and contributions not restricted	7,039	3,524,025
Interest earnings	177,448	195,268
Other	264,545	325,679
Total Revenues	<u>237,929,465</u>	<u>215,843,358</u>
Expenses		
Instruction	109,987,706	110,548,329
Instructional resources and media services	2,287,463	2,421,087
Curriculum and staff development	4,482,176	4,508,432
Instructional leadership	4,903,977	4,728,055
School leadership	9,893,329	9,877,826
Guidance, counseling, and evaluation services	5,941,390	5,606,717
Social work services	468,203	419,590
Health services	1,612,708	1,641,843
Student transportation	5,436,683	5,533,763
Food service	13,033,476	12,325,411
Extracurricular activities	4,115,658	3,896,064
General administration	6,412,028	6,445,569
Plant, maintenance and operations	24,590,808	23,624,581
Security and monitoring services	2,283,366	2,013,057
Data processing services	2,431,715	2,539,098
Community services	1,408,790	1,419,328
Interest on long-term debt	12,742,302	13,296,766
Facilities repairs and maintenance	298,375	-
Payments to appraisal districts	721,839	680,484
Total Expenses	<u>213,051,992</u>	<u>211,526,000</u>
Increase (Decrease) in Net Position	24,877,473	4,317,358
Beginning Net Position, as restated	75,294,271	70,976,913
Ending Net Position	<u>\$ 100,171,744</u>	<u>\$ 75,294,271</u>

Governmental Activities

Governmental activities increased the District's net position by \$24,877,473. Key elements of this increase are as follows:

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues totaling (\$136,965,865) represent 58 percent of total revenues and property taxes (\$96,263,557) represent 40 percent of total revenues. The remaining \$4,700,043 is generated from charges for services, investment earnings, and miscellaneous revenues. Property tax revenues increased by approximately \$13.8 million due to higher appraised tax values. In addition, State aid increased by \$13.1 million.

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

The primary functional expense of the District is instruction (\$109,987,706), which represents 52 percent of total expenses. Plant maintenance and operations (\$24,590,808) represents 12 percent of total expenses. The remaining individual functional categories of expenses are each less than 6 percent of total expenses.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$93,974,001, an increase of \$21,469,194 in comparison with the prior year. The increase in ending governmental fund balances is primarily due to increases in the general fund and debt service 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 \$43,934,114, while total fund balance reached \$77,511,233. 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 26 percent of total general fund expenditures, while total fund balance represents 46 percent of that same amount.

The increase in the General Fund's fund balance of \$21,816,145 was primarily due to the increase in property taxes and state funding.

The debt service fund has a total fund balance of \$8,942,426, 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 \$1,555,588 was attributable to the issuance of refunding bonds and higher property taxes.

The capital projects fund has a total fund balance of \$2,439,542, all of which is restricted for authorized construction and technology projects/enhancements. The net decrease in fund balance during the current year of \$2,101,105 was primarily due to construction costs incurred.

Proprietary Fund

The District's proprietary fund financial statement, internal service printing services, provides detail information about the profitability of the Print Shop Fund. 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 \$9.4 million below final budgeted amounts. The positive variance was primarily due to the positive variances in instruction and facilities maintenance operations of \$3.7 million and \$1.3 million, respectively. To provide further analysis, payroll costs were lower than anticipated

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

which allowed the district to come under budget by approximately \$3.2 million. The District's repair and maintenance projects were also lower than expected by approximately \$1.3 million.

Resources available were \$3.3 million over the final budgeted amounts. This favorable variance was due to higher actual revenues than final expenditures in both state and federal revenue categories of \$1.6 million and \$1.9 million, respectively. In regards to federal revenues specifically, School Health and Related Services revenue exceeded expected amounts by approximately \$0.758 million. State aid earned was more than budgeted by \$0.6 million. Indirect costs for the Child Nutrition fund in the amount of \$0.9 million also contributed to the positive variance. Actual state revenues were more than budgeted due to additional State aid payments.

The review of the final amended budget versus actual for the general fund reflected a positive budget variance in the amount of \$12.6 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, 2013, amounts to \$259,092,422 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment and construction in progress. The total decrease in the District's investment in capital assets for the current fiscal year was \$4,986,777. Changes in capital assets are shown below:

	Balance September 1, 2012, as restated	Additions	Retirements and Transfers	Balance August 31, 2013
Land	\$ 13,270,520	\$ 248,715	\$ -	\$ 13,519,235
Building and improvements	339,232,023	1,513,962		340,745,985
Furniture and equipment	38,733,314	3,457,415	(859,837)	41,330,892
Vehicles	8,592,408	895,069	(27,753)	9,459,724
	<u>399,828,265</u>	<u>6,115,161</u>	<u>(887,590)</u>	<u>405,055,836</u>
Less accumulated depreciation for:				
Buildings and improvements	(106,073,415)	(8,185,040)	-	(114,258,455)
Furniture and equipment	(23,756,823)	(2,276,580)	770,178	(25,263,225)
Vehicle	(5,918,828)	(550,659)	27,753	(6,441,734)
	<u>(135,749,066)</u>	<u>(11,012,279)</u>	<u>797,931</u>	<u>(145,963,414)</u>
Governmental Capital Assets	<u>\$ 264,079,199</u>	<u>\$ (4,897,118)</u>	<u>\$ (89,659)</u>	<u>\$ 259,092,422</u>

Additional information on the District's capital assets can be found in Note 4 on pages 39 through 40 of the notes to the financial statements.

Long-term Liabilities

At the end of the current fiscal year, the District had a 4 percent ((\$10,510,568)) over the previous year. The District's bonds are sold with a "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 "A+" and from Moody's Investors Service is "Aa2" for general obligation debt.

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

Changes to long-term debt, for the year ended August 31, 2013, are as follows:

	Balance August 31, 2012	Additions	Retirements	Balance August 31, 2013
General obligation bonds	\$ 215,357,982	\$ 37,990,000	\$ (48,302,769)	\$ 205,045,213
Plus amounts for issuance premiums	7,309,185	3,212,391	(4,027,825)	6,493,751
Gain or loss on refunding bonds	(3,377,716)	(1,141,528)	2,490,682	(2,028,562)
Qualified zone academy bonds	4,305,909	-	(731,519)	3,574,390
Accreted interest on premium compound interest bonds	46,581,097	4,766,137	(2,677,231)	48,670,003
Accrued compensated absences	525,426	113,059	(69,117)	569,368
	<u>\$ 270,701,883</u>	<u>\$ 44,940,059</u>	<u>\$ (53,317,779)</u>	<u>\$ 262,324,163</u>

Additional information on the District's long-term liabilities can be found in Note 6 on pages 41 through 43 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 many factors when setting the budget for the 2013-14 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 2013-14.

- Adoption of an M & O tax rate of \$1.2433 per \$100 of assessed valuation.
- Taxable values used for the 2013-14 budget are expected to increase by 17.5% from the 2012-13 levels. The budgeted property tax revenues were based on a taxable value of \$6.0 billion with a 100.0% collection rate.
- The district's 2013-14 average daily attendance is also expected to remain unchanged at 19,900.

State Funding available for appropriation in the 2013-14 budget increased due to changes in the Foundation School Program funding formulas. The formula changes were included in Senate Bill 1 passed during the recent 83rd Legislative session. The bill reinstated a portion of the state funding for Texas public schools reduced during a prior state legislative session. With voter approval from a tax ratification election held in December 2007 the tax rate increased from \$1.1134 to \$1.1834 per \$100 valuation. A second successful tax ratification election in September 2012 increased the 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.

Amounts available for appropriation in the general fund are \$175.3 million, an increase of \$10.3 million from the previous year. Expenditures are budgeted to increase 3.4% to \$176.6 million. The majority of the increase in budgeted expenditures was to fund a salary increase for teachers and other staff. A flat student enrollment population coupled with rising costs of operations has led to the adoption of a deficit budget for the 2013-14 fiscal year.

All of these factors were considered in preparing the district's budget for the 2013-2014 fiscal year. If these estimates are realized, the District's General fund fund balance will decrease by \$1.2 million by August 31, 2014.

BASIC FINANCIAL STATEMENTS

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

August 31, 2013

<u>Data Control Codes</u>		<u>Governmental Activities</u>
	Assets	
1110	Cash and cash equivalents	\$ 84,575,679
1225	Property taxes receivables, net	8,378,648
1240	Due from other governments	13,287,854
1267	Due from fiduciary funds	49,674
1290	Other receivables, net	762,043
1300	Inventories	585,368
1410	Deferred expenses	1,954,683
1420	Capital bond and other debt issuance costs	1,427,191
	Capital assets not subject to depreciation:	
1510	Land	13,519,235
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	226,487,530
1531	Vehicles, net	3,017,990
1530	Furniture and equipment, net	16,067,667
1000	Total Assets	<u>370,113,562</u>
	Liabilities	
2110	Accounts payable	2,772,978
2140	Interest payable	441,273
2150	Payroll deductions and withholdings	71,033
2160	Accrued wages payable	2,409,025
2180	Due to other governments	164,632
2200	Accrued expenses	268
2300	Unearned revenue	1,758,446
	Noncurrent Liabilities:	
2501	Due within one year	12,862,762
2502	Due in more than one year	249,461,401
2000	Total Liabilities	<u>269,941,818</u>
	Net Position	
3200	Net investment in capital assets	49,874,363
	Restricted for:	
3840	Food service	3,886,961
3850	Debt service	9,770,784
3870	Campus activity	1,193,839
3900	Unrestricted	35,445,797
3000	Total Net Position	<u>\$ 100,171,744</u>

See Notes to the Financial Statements

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit B-1

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2013

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position Primary
			Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:					
11	Instruction	\$ 109,987,706	\$ 477,304	\$ 12,565,555	\$ (96,944,847)
12	Instructional resources and media services	2,287,463	-	97,885	(2,189,578)
13	Curriculum and staff development	4,482,176	-	2,475,844	(2,006,332)
21	Instructional leadership	4,903,977	-	1,130,647	(3,773,330)
23	School leadership	9,893,329	95,685	490,244	(9,307,400)
31	Guidance, counseling, and evaluation services	5,941,390	-	709,359	(5,232,031)
32	Social work services	468,203	-	133,740	(334,463)
33	Health services	1,612,708	-	1,814,121	201,413
34	Student transportation	5,436,683	-	264,005	(5,172,678)
35	Food service	13,033,476	2,651,893	10,803,573	421,990
36	Extracurricular activities	4,115,658	887,698	85,861	(3,142,099)
41	General administration	6,412,028	-	335,782	(6,076,246)
51	Facilities maintenance and operations	24,590,808	145,470	1,292,567	(23,152,771)
52	Security and monitoring services	2,283,366	-	145,615	(2,137,751)
53	Data processing services	2,431,715	-	79,708	(2,352,007)
61	Community services	1,408,790	-	726,930	(681,860)
72	Interest on long-term debt	12,742,302	-	-	(12,742,302)
81	Facilities repairs and maintenance	298,375	-	13,738	(284,637)
99	Payments to Appraisal District	721,839	-	-	(721,839)
TG	Total governmental activities	\$ 213,051,992	\$ 4,258,050	\$ 33,165,174	\$ (175,628,768)

Data Control Codes

General revenues:		
Taxes:		
MT	Property taxes, levied for general purposes	\$ 79,045,057
DT	Property taxes, levied for debt service	17,218,500
SF	State-aid formula grants	103,793,652
GC	Grants and contributions not restricted	7,039
IE	Investment earnings	177,448
MI	Miscellaneous	264,545
TR	Total general revenues	200,506,241
CN	Change in net position	24,877,473
NB	Net position - beginning	72,749,846
PA	Prior period adjustments	2,544,425
NE	Net position - ending	\$ 100,171,744

See Notes to the Financial Statements

GALENA PARK INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2013

<u>Data Control Codes</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Assets			
1110 Cash and temporary investments	\$ 66,771,248	\$ 8,786,809	\$ 2,818,886
Receivables:			
1220 Delinquent property taxes receivables	8,195,104	1,491,655	-
1230 Allowance for uncollectible taxes (credit)	(1,121,430)	(186,681)	-
1240 Receivables from other governments	11,172,912	149,270	-
1260 Due from other funds	5,056,813	8,628	-
1290 Other receivables	739,923	-	-
1300 Inventories, at cost	272,077	-	-
1410 Prepaid Items	1,925,491	925	-
1000 Total Assets	<u>\$ 93,012,138</u>	<u>\$ 10,250,606</u>	<u>\$ 2,818,886</u>
 Liabilities and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 1,992,565	\$ -	\$ 203,554
2140 Interest payable			
2150 Payroll deductions and withholdings	71,033	-	-
2160 Accrued wages payable	2,161,236	-	-
2170 Due to other funds	2,646,453	3,206	175,790
2180 Payable to other governments	-	-	-
2200 Accrued expenditures	-	-	-
2300 Deferred revenue	8,629,618	1,304,974	-
2000 Total Liabilities	<u>15,500,905</u>	<u>1,308,180</u>	<u>379,344</u>
 Fund Balance:			
Nonspendable:			
3410 Inventories	272,077	-	-
3430 Prepaid items	1,925,491	925	-
Restricted			
3450 Grants	-	-	-
3470 Capital acquisition program	-	-	2,439,542
3480 Debt service	-	8,941,501	-
Committed			
3545 Campus activity	-	-	-
3590 Assigned	31,379,551	-	-
3600 Unassigned	43,934,114	-	-
3000 Total Fund Balances	<u>77,511,233</u>	<u>8,942,426</u>	<u>2,439,542</u>
4000 Total Liabilities and Fund Balance	<u>\$ 93,012,138</u>	<u>\$ 10,250,606</u>	<u>\$ 2,818,886</u>

See Notes to the Financial Statements.

Exhibit C-1

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,092,373	\$ 84,469,316
-	9,686,759
-	(1,308,111)
1,965,672	13,287,854
976,790	6,042,231
22,120	762,043
313,291	585,368
28,267	1,954,683
<u>\$ 9,398,513</u>	<u>\$ 115,480,143</u>
\$ 547,938	\$ 2,744,057
-	71,033
246,309	2,407,545
3,156,064	5,981,513
164,632	164,632
268	268
202,502	10,137,094
<u>4,317,713</u>	<u>21,506,142</u>
313,291	585,368
16,357	1,942,773
3,557,463	3,557,463
-	2,439,542
-	8,941,501
1,118,844	1,118,844
-	31,379,551
74,845	44,008,959
<u>5,080,800</u>	<u>93,974,001</u>
<u>\$ 9,398,513</u>	<u>\$ 115,480,143</u>

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
August 31, 2013

Exhibit C-2

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 93,974,001
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
1	Capital assets at historical cost, net of accumulated depreciation, where applicable	259,092,422
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).	8,378,648
3	Bond issuance costs are not financial resources and, therefore, are not reported as assets in governmental funds. These costs are to be amortized over the life of the bonds.	1,427,191
	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:	
4	General obligation bonds	(208,619,603)
5	Premiums on issuance	(6,493,751)
6	Deferred loss on refunding	2,028,562
7	Accreted interest on premium compound interest bonds	(48,670,003)
8	Accrued compensated absences	(569,368)
9	Accrued interest payable	(441,274)
10	Addition of Internal Service fund net position	<u>64,919</u>
19	Total net position - governmental activities	<u><u>\$ 100,171,744</u></u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 79,726,992	\$ 17,159,849	\$ 4,922
5800	State program revenues	106,165,757	4,503,773	-
5900	Federal program revenues	3,596,476	-	-
5020	Total revenues	<u>189,489,225</u>	<u>21,663,622</u>	<u>4,922</u>
Expenditures				
Current:				
0011	Instruction	97,378,335	-	-
0012	Instructional resources and media services	2,073,142	-	-
	Curriculum and instructional staff			
0013	development	2,136,338	-	-
0021	Instructional leadership	3,864,139	-	-
0023	School leadership	9,640,623	-	-
	Guidance, counseling and evaluation			
0031	services	5,472,917	-	-
0032	Social work services	345,765	-	-
0033	Health services	1,471,179	-	-
0034	Student transportation	5,555,613	-	-
0035	Food service	11,748	-	-
0036	Extracurricular activities	2,845,354	-	-
0041	General administration	6,229,042	-	-
0051	Plant maintenance and operations	21,392,515	-	345,961
0052	Security and monitoring services	2,207,544	-	60,868
0053	Data processing services	2,249,595	-	385,400
0061	Community services	656,001	-	-
Debt service:				
0071	Principal on long-term debt	731,519	9,172,769	-
0072	Interest on long-term debt	62,400	10,986,745	-
0073	Bond issuance costs and fees	2,100	531,805	-
Capital outlay:				
0081	Facilities acquisition and construction expenditures	2,579,075	-	1,313,798
Intergovernmental:				
0099	Payments to appraisal district	721,839	-	-
6030	Total Expenditures	<u>167,626,783</u>	<u>20,691,319</u>	<u>2,106,027</u>
1100	Excess (deficiency) of revenues over expenditures	<u>21,862,442</u>	<u>972,303</u>	<u>(2,101,105)</u>
Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	37,990,000	-
7912	Sale of real or personal property	32,808	-	-
7915	Transfers in	-	-	-
7916	Premium or discount on issuance of bonds	-	3,212,391	-
8911	Transfers out	(79,105)	-	-
8949	Payment to bond refunding escrow agent	-	(40,619,106)	-
7080	Total other financing sources and uses	<u>(46,297)</u>	<u>583,285</u>	<u>-</u>
1200	Net change in fund balances	21,816,145	1,555,588	(2,101,105)
0100	Fund Balance - beginning	<u>55,695,088</u>	<u>7,386,838</u>	<u>4,540,647</u>
3000	Fund Balance - ending	<u>\$ 77,511,233</u>	<u>\$ 8,942,426</u>	<u>\$ 2,439,542</u>

See Notes to the Financial Statements.

Exhibit C-3

Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,979,115	\$ 100,870,878
850,299	111,519,829
21,704,290	25,300,766
<u>26,533,704</u>	<u>237,691,473</u>
7,966,860	105,345,195
22,864	2,096,006
2,329,252	4,465,590
942,991	4,807,130
139,701	9,780,324
432,097	5,905,014
120,608	466,373
109,667	1,580,846
54,432	5,610,045
12,373,803	12,385,551
688,157	3,533,511
119,809	6,348,851
231,186	21,969,662
144,546	2,412,958
295	2,635,290
739,983	1,395,984
-	9,904,288
-	11,049,145
-	533,905
-	3,892,873
-	721,839
<u>26,416,251</u>	<u>216,840,380</u>
<u>117,453</u>	<u>20,851,093</u>
-	37,990,000
2,008	34,816
79,105	79,105
-	3,212,391
-	(79,105)
-	(40,619,106)
<u>81,113</u>	<u>618,101</u>
198,566	21,469,194
4,882,234	72,504,807
<u>\$ 5,080,800</u>	<u>\$ 93,974,001</u>

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, 2013

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ 21,469,194
	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 outlays	6,115,161
2	Governmental activities depreciation expense	(11,012,279)
	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 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.	(89,659)
3		
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	203,176
	Repayment of bond principal of \$9,904,288 is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. The District also refunded \$39,130,000 in bonds. This payment was made to the bond refunding escrow agent.	49,034,288
5		
6	Proceeds from issuance of refunding bonds is reported as an other financing source (\$37,990,000) in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities. The premium (\$3,212,391) and deferred loss on refundings (\$1,141,528) associated with the issuance is also treated as an increase in long-term liabilities.	(40,060,863)
7	Bond issuance costs paid during the current year will be amortized over the life of the bonds.	(277,098)
	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:	
8	Decrease in interest payable not recognized in fund statements	17,187
9	Increase in long-term portion of accrued compensated absences	(43,942)
10	Accreted interest on capital appreciation bonds	(4,766,137)
11	Amortization of premiums, deferred loss on refunding	1,537,143
12	Capital appreciation bonds matured and related accreted interest	2,677,231
13	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)	74,071
	Change in net position of governmental activities (see B-1)	<u><u>\$ 24,877,473</u></u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

August 31, 2013

<u>Data Control Codes</u>	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Assets	
Current Assets:	
1110 Cash and cash equivalents	\$ 106,363
Receivables:	
1260 Due from other funds	758
Total current assets	<u>107,121</u>
Liabilities	
Current Liabilities:	
2110 Accounts payable	28,920
2160 Accrued wages payable	1,480
2170 Due to other funds	11,802
Total current liabilities	<u>42,202</u>
2000 Total Liabilities	<u>42,202</u>
Net Position	
3800 Unrestricted net position	<u>\$ 64,919</u>

See Notes to the 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, 2013

<u>Data Control Codes</u>	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Operating Revenues	
5749 Miscellaneous revenue from local sources	\$ 341,320
5020 Total Operating Revenues	<u>341,320</u>
Operating Expenses	
6100 Payroll costs	60,124
6200 Purchased and contracted services	153,956
6300 Supplies and materials	52,804
6400 Other operating expenses	365
6030 Total Operating Expenses	<u>267,249</u>
1200 Operating Income (Loss)	74,071
Net Position	
0100 Net Position - September 1 (Beginning)	<u>(9,152)</u>
3300 Net Position - August 31 (Ending)	<u>\$ 64,919</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit D-3

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended August 31, 2013

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 341,320
Cash payments to suppliers for goods and services	(192,017)
Cash payments to employees	(60,312)
Net Cash Provided by (Used for) Operating Activities	<u>88,991</u>
Net Increase in Cash and Cash Equivalents	88,991
Cash and Cash Equivalents at Beginning of Year	17,372
Cash and Cash Equivalents at End of Year	<u>\$ 106,363</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 74,071
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Change in Assets and Liabilities:	
Increase (decrease) in Accounts Payable	3,754
Increase (decrease) in Accrued Wages Payable	(188)
Increase (decrease) in Interfund Payables	11,354
Net Cash Provided by (Used for) Operating Activities	<u>\$ 88,991</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2013

<u>Data Control Codes</u>		829	865
		Private Purpose Trust Fund	Student Activity Fund
	Assets		
1110	Cash and cash equivalents	\$ 86,578	\$ 337,119
	Receivables:		
1260	Due from other Funds	337	4,943
1290	Other receivables	-	172
1000	Total Assets	<u>86,915</u>	<u>\$ 342,234</u>
	Liabilities		
2110	Accounts payable	337	\$ 25,600
2170	Due to other funds	-	54,954
2190	Due to others	-	261,680
2000	Total Liabilities	<u>337</u>	<u>\$ 342,234</u>
	Net Postion		
3590	Held In Trust for Other Purposes	<u>\$ 86,578</u>	

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2013

	Private Purpose Trust Fund
Additions	
Earnings on investments	\$ 243
Total Additions	<u>243</u>
Deductions	
Scholarships awarded	14,000
Total deductions	<u>14,000</u>
Change in net position	(13,757)
Net position, beginning of year	<u>100,335</u>
Net position, end of year	<u><u>\$ 86,578</u></u>

See Notes to the Financial Statements.

Note 1 - Summary of Significant Accounting Policies

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

The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

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

Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the District’s financial reporting entity. Based on these considerations, 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 generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District’s financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include: considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements (continued)

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

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

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction and technology projects/enhancements.

Additionally, the District reports the following fund types:

- 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 food service and campus activity funds, funds are rolled over from year to year for use in the program.
- The *internal service funds* account for print shop services.
- 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, investment pools, (TexPool, Lone Star and LOGIC), money market funds. These external pools operate like a "2a7" pool and these investments are carried at amortized cost in accordance with GASB 31.

Investments for the District are reported at fair value based on quoted market prices at August 31, 2013. The investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

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 general government service and debt service for 2012-2013 were \$1.1834 and \$0.33, respectively, based on a taxable value of \$6,362,846,718. Uncollected taxes are recorded as unavailable revenue in the fund financial statements net of the related allowance for uncollectible taxes.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method of accounting.

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment 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 \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

<u>Assets</u>	<u>Years</u>
Buildings 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.

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 one-half the substitute's daily rate of pay for the first 50 days of accumulated local sick leave and the full daily substitute rate of pay for any days in excess of 50. The maximum amount of compensation per employee under this provision is \$5,000.

Note 1 - Summary of Significant Accounting Policies (continued)

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 deferred charges and amortized over the term of the related debt.

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

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

Fund Equity

Beginning with fiscal year 2011, Galena Park Independent School District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The Statement also clarifies the governmental fund definitions. 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 and prepaid expenditures have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. Per Board Policy, CE Local, the Board has delegated authority to the Superintendent or Chief Financial Officer to establish fund balance assignments. As of August 31, 2013, assigned fund balance is as follows:

	General Fund
Insurance Deductibles	\$ 3,150,000
Contingency - Unanticipated Deficits or Revenue	
Reductions for Adverse Economic Conditions	18,224,662
Capital and Lifecycle Expenditures	2,500,000
Campus Budget Carryover	216,576
Debt service payments	2,908,762
Outstanding Encumbrances	1,379,551
Technology Initiatives	3,000,000
Total Assigned Fund Balance	<u>\$ 31,379,551</u>

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

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

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

Implementation of New Standards

In the current fiscal year the District implemented the following new standards:

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in re-November 30, 1989 FASB and AICPA Pronouncements* (“GASB 62”), which incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations; 2) Accounting Principles Board Opinions; 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure. Implementation of GASB 62 is reflected in the financial statements and notes to the financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

Implementation of New Standards (continued)

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (“GASB 63”), amends the net asset reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of the resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position rather than net assets. Implementation of GASB 63 is reflected in the financial statements.

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 Texas Education Agency 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 balance as of August 31, 2013 was 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 2013, the District invested in the State of Texas TexPool, Lone Star Investment Pool, and Local Government Investment Cooperative (LOGIC). TexPool is duly chartered and overseen by the State Comptroller's Office and administered by Lehman Brothers and Federated Investors, Inc. The State Street Bank is the custodial bank. The portfolio consists of U.S. T-Bills, T-Notes, collateralized repurchase and reverse repurchase agreements, and no-load money market mutual funds regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized rating service. The investment activities of LOGIC are administered by First Southwest Asset Management, Inc and JPMorgan Chase.

Mutual Funds

Lone Star Corporate Overnight Plus Fund, a mutual fund, is duly chartered by the State of Texas Interlocal Cooperation Act and is administered by First Public, LLC, and managed by Bank of New York Mellon and American Beacon Advisors. The Bank of New York is the custodial bank. The Corporate Overnight Plus Fund may invest in all securities authorized under the Investment Act. However, it is the Board's policy to have these additional restrictions:

- The Corporate Overnight Plus Fund shall not invest its assets in any one nongovernmental issuer in an amount that exceeds 5 percent of the total fund assets at cost.

Note 2 - Deposits and Investments (continued)

Mutual Funds

Lone Star Corporate Overnight Plus Fund, a mutual fund, is duly chartered by the State of Texas Interlocal Cooperation Act and is administered by First Public, LLC, and managed by Bank of New York Mellon and American Beacon Advisors. The Bank of New York is the custodial bank. The Corporate Overnight Plus Fund may invest in all securities authorized under the Investment Act. However, it is the Board's policy to have these additional restrictions:

- The Corporate Overnight Plus Fund shall not invest its assets in any one nongovernmental issuer in an amount that exceeds 5 percent of the total fund assets at cost.
- If an A-1 or P-1 investment is placed on the watch list with negative implications by a rating agency, the investment manager must sell the investment within one week.

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

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Cash and deposits	\$ 1,661,542	N/A
Investments		
Local Government Investment Pools		
LOGIC	598,323	57
TexPool	6,623,923	49
Mutual Fund - Lone Star	76,115,588	63
Total Investments	<u>83,337,834</u>	62
Total Cash and Investments	<u>\$ 84,999,376</u>	62

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, 2013, the District's investment in TexPool was rated AAAM by Standard and Poor's. The District's investments in Lone Star Corporate Overnight Plus Fund and LOGIC were rated AAAs and AAAM, respectively, by Standard and Poor's.

Concentration of Credit Risk:

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

Note 3 - Receivables

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	Other Governmental Funds	Total
Property Taxes	\$ 8,195,104	\$ 1,491,655	\$ -	\$ -	\$ 9,686,759
Due from other governments	11,172,912	149,270	-	1,965,672	13,287,854
Other	739,923	-	-	22,120	762,043
Gross Receivables	20,107,939	1,640,925	-	1,987,792	23,736,656
Less allowance for doubtful accounts	(1,121,430)	(186,681)	-	-	(1,308,111)
Net Total Receivables	\$ 18,986,509	\$ 1,454,244	\$ -	\$ 1,987,792	\$ 22,428,545

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenues reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 7,073,674	\$ -
Delinquent property taxes receivable (Debt Service Fund)	1,304,974	-
Grant funds received prior to meeting all eligibility requirements	-	1,758,446
	\$ 8,378,648	\$ 1,758,446

Note 4 - Capital Assets

Capital asset activity for the year ended August 31, 2013, was as follows:

	Balance September 1, 2012 (restated)	Additions	(Retirements) and Transfers	Balance August 31, 2013
Capital assets, not being depreciated				
Land	\$ 13,270,520	\$ 248,715	\$ -	\$ 13,519,235
Construction in progress	-	-	-	-
Total Capital Assets, not being depreciated	13,270,520	248,715	-	13,519,235
Capital assets, being depreciated				
Buildings and improvements	339,232,023	1,513,962	-	340,745,985
Furniture and equipment	38,733,314	3,457,415	(859,837)	41,330,892
Vehicles	8,592,408	895,069	(27,753)	9,459,724
Total Capital Assets, being depreciated	386,557,745	5,866,446	(887,590)	391,536,601
Less accumulated depreciation for:				
Buildings and improvements	(106,073,415)	(8,185,040)	-	(114,258,455)
Furniture and Equipment	(23,756,823)	(2,276,580)	770,178	(25,263,225)
Vehicles	(5,918,828)	(550,659)	27,753	(6,441,734)
Total Accumulated Depreciation	(135,749,066)	(11,012,279)	797,931	(145,963,414)
Governmental Capital Assets	\$264,079,199	\$ (4,897,118)	\$ (89,659)	\$259,092,422

Note 4 - Capital Assets (continued)

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

<u>Function</u>	<u>Depreciation Expense</u>
11 Instruction	\$ 4,836,860
12 Instructional resources and media services	232,014
13 Curriculum and staff development	24,585
21 Instructional leadership	97,673
23 School leadership	147,682
31 Guidance, counseling and evaluation	45,738
32 Social work services	2,216
33 Health services	35,938
34 Student transportation	513,985
35 Food Services	1,072,872
36 Extracurricular activities	586,537
41 General administration	138,289
51 Facilities maintenance and operations	2,795,727
52 Security and monitoring services	70,842
53 Data processing services	397,722
61 Community services	13,599
	<u>\$ 11,012,279</u>

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Activity between the debt service fund and the capital projects fund results primarily from the capital projects fund interest earnings that are used for debt service payments. Additionally, some lending/borrowing may occur between two or more non-major governmental funds.

The composition of interfund balances as of August 31, 2013, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 5,056,813	\$ 2,646,453
Debt Service Fund	8,628	3,206
Capital Projects Fund	-	175,790
Nonmajor Funds	976,790	3,156,064
Internal Service Fund	758	11,802
Fiduciary Funds	5,280	54,954
	<u>\$ 6,048,269</u>	<u>\$ 6,048,269</u>

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the year ended August 31, 2013:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Other governmental funds	\$ 79,105
		<u>\$ 79,105</u>

The General Fund transferred funds to Fund 481 to cover excess expenditures over revenues.

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2013, was as follows:

	<u>Balance September 1, 2012</u>	<u>Issued and Additions</u>	<u>Retired and Refunded</u>	<u>Balance August 31, 2013</u>	<u>Due Within One Year</u>
Bonds Payable					
General Obligation Bonds	\$ 215,357,982	\$ 37,990,000	\$ (48,302,769)	\$ 205,045,213	\$ 9,686,543
Less: Deferred Loss on Refunding Bonds	(3,377,716)	(1,141,528)	2,490,682	(2,028,562)	-
Plus: Premiums and discount on issuance of Bonds	7,309,185	3,212,391	(4,027,825)	6,493,751	-
Qualified Zone Academy Bonds	4,305,909	-	(731,519)	3,574,390	731,519
Total Bonds Payable	<u>223,595,360</u>	<u>40,060,863</u>	<u>(50,571,431)</u>	<u>213,084,792</u>	<u>10,418,062</u>
Accretion on Compound Interest Bonds	46,581,097	4,766,137	(2,677,231)	48,670,003	2,393,457
Compensated Absences	525,426	113,059	(69,117)	569,368	51,243
	<u>\$ 270,701,883</u>	<u>\$ 44,940,059</u>	<u>\$ (53,317,779)</u>	<u>\$ 262,324,163</u>	<u>\$ 12,862,762</u>

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

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

Exhibit F-1

Note 6 - Long-term Liabilities (continued)

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	\$ 13,279,474
2002 Maintenance Tax Note ("QZAB")	8,000,000	0.65	2016	1,159,681
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	2,414,711
2005 Unlimited Tax School Bldg & Refunding Bonds	52,248,708	3.00 - 5.25	2021	4,320,000
2005 Unlimited Tax School Building Bonds	7,000,000	3.80 - 5.25	2026	5,235,000
2006 Unlimited Tax School Building Bonds	15,000,000	4.25 - 5.50	2033	13,415,000
2007 Unlimited Tax School Bldg & Refunding Bonds	68,790,870	3.62 - 4.54	2033	62,475,000
2008 Unlimited Tax School Building Bonds	18,000,000	4.50 - 5.25	2034	16,865,000
2010 Unlimited Tax School Building Bonds	17,000,000	4.00-5.00	2034	16,695,000
2011 Unlimited Tax School Building Bonds	9,250,000	2.00-4.00	2026	8,910,000
2012 Unlimited Tax Refunding Bonds	9,234,299	2.50-3.25	2032	9,234,299
2013 Unlimited Tax Refunding Bonds	9,440,000	3.0-3.75	2032	9,440,000
2013 Unlimited Tax Refunding Taxable Bonds	28,550,000	4.00-4.50	2021	28,550,000
	Total Bonds Payable			208,619,603
	Less: Deferred Losses on Refunding Bonds			(2,028,562)
	Plus: Unamortized Premiums on Issuance			6,493,751
				213,084,792
	Less: Current Portion			(10,418,062)
				<u>\$ 202,666,730</u>

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

Year Ending August 31,	Principal	Interest	Total
2014	\$ 10,418,062	\$ 8,064,750	\$ 18,482,812
2015	10,820,838	7,671,088	18,491,926
2016	11,128,335	7,385,371	18,513,706
2017	9,877,460	6,626,912	16,504,372
2018	10,689,482	6,387,374	17,076,856
2019-2023	54,634,816	25,011,647	79,646,463
2024-2028	46,149,406	14,369,268	60,518,674
2029-2033	42,796,304	8,856,288	51,652,592
2,034	12,105,000	564,750	12,669,750
	<u>208,619,703</u>	<u>\$ 84,937,448</u>	<u>\$ 293,557,151</u>
Less Current Portion	<u>10,418,062</u>		
Long Term Debt	<u>\$ 198,201,641</u>		

Note 8 - Defined Benefit Pension Plan (continued)

Contributions

Contributions made by the State, District and staff members to TRS for the years ended August 31, 2013, 2012, and 2011, are as follows:

For the Year Ended August 31,	State TRS Contributions Made on Behalf of the District	District Required Contributions to TRS	Staff Members Contributions to TRS	Total Covered Payroll
2013	\$ 5,955,807	\$ 2,012,917	\$ 8,073,070	\$126,142,312
2012	5,582,505	2,078,627	8,171,012	127,628,389
2011	6,579,479	2,130,068	8,514,381	133,037,350

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

Note 9 - Retiree Health Care

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 0.5% and .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2013, 2012, and 2011. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 0.5%.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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

Fund Number	Fund Name & Description
205	Head Start – funds used to promote the school readiness of low-income preschool children (ages 3-5), including children of migratory seasonal and farm workers, and infants and toddlers (birth through age 3) by enhancing their cognitive social and emotional development in learning environments that support their growth in language, literacy, mathematics, science, social and emotional functioning, creative art, physical skills and approaches to learning.
206	McKinney - Vento Homeless Education - to ensure the enrollment, attendance and success of homeless children and youth in school.
211	ESEA, Title I, Part A - Basic - supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses.
212	ESEA Title I, Part C – for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fisherman.
224	IDEA, Part B - Formula - salaries and supplies to aid children with disabilities with low reading achievement.
225	IDEA, Part B - Preschool - aids preschool students with disabilities.
240	Child Nutrition Program – federal reimbursement revenues originating from the United States Department of Agriculture and fees from child and adult meals.
244	Vocational Education - Basic - funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes.
255	ESEA, Title II, Part A - TPTR (Teacher and Principal Training and Recruiting) - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
263	ESEA, Title III, Part A - English Language Acquisition - provides additional educational opportunities to supplement programs for students of limited English proficiency and immigrant children by assisting the children to learn English and meet challenging
265	21st Century Community Learning Centers - provides after-school activities for students in elementary through high school.

Nonmajor Governmental Funds (Continued)

Special Revenue Funds (Continued)

Fund Number	Fund Name & Description
289	Various Federal Funds - supports and encourages the development of new, self-supporting, community anti-drug coalitions; early childhood summer programs, library grants and wetlands and water education.
397	Advanced Placement Incentives - enhancement of Advanced Placement programs on specific campuses based on student scores on Advanced Placement examinations.
404	Student Success Initiative - Acc Rea – funds used to for teacher training and allocations to schools to implement scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade.
410	Instructional Materials Allotment - provides funds to purchase instructional materials, technological equipment and technology-related services.
429	Other State Funded Special Revenue Funds - provides funds to help schools fund various programs including mentors and campus awards.
461	Campus Activity - proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.
481	Other Local Grants - grants from local businesses or organizations to be used for educational activities.
486	Miscellaneous Donations – local donations used for specific education purposes as specified by the donor.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2013

Data Control Codes	205 Head Start Regular and ARRA	206 Support for Homeless Educ. Prog.	211 ESEA Title I, Part A Improving Basic Programs
Assets			
1110	\$ -	\$ -	\$ -
Receivables:			
1240	20,422	10,240	849,142
1260	-	-	-
1290	-	-	-
1310	-	-	-
1410	-	-	425
1000 Total Assets	\$ 20,422	\$ 10,240	\$ 849,567
Liabilites and Fund Balance			
Liabilities:			
Current Liabilities:			
2110	\$ 803	\$ -	\$ 10,116
2160	16,542	-	66,905
2170	3,077	10,240	772,546
2180	-	-	-
2200	-	-	-
2300	-	-	-
2000 Total Liabilities	20,422	10,240	849,567
Fund Balances:			
Nonspendable			
3410	-	-	-
3430	-	-	-
Restricted			
3450	-	-	-
Committed			
3545	-	-	-
Unassigned			
3000 Total Fund Balances	-	-	-
4000 Total Liabilities and Fund Balance	\$ 20,422	\$ 10,240	\$ 849,567

212	224	225	240	244	255	263
ESEA Title I, Part C	IDEA B Formula	IDEA B Preschool Grant	Child Nutrition	Vocational Ed - Basic	Title II, Part A	Title III, Part A
\$ -	\$ -	\$ -	\$ 4,462,497	\$ -	\$ 27,201	\$ -
48,749	330,875	10,558	253,372	4,500	126,906	239,058
-	-	-	963,803	-	-	-
-	-	-	19,448	-	-	-
-	-	-	313,291	-	-	-
-	2,589	-	16,207	-	-	-
<u>\$ 48,749</u>	<u>\$ 333,464</u>	<u>\$ 10,558</u>	<u>\$ 6,028,618</u>	<u>\$ 4,500</u>	<u>\$ 154,107</u>	<u>\$ 239,058</u>
\$ 85	\$ 28,657	\$ -	\$ 477,522	\$ 4,500	\$ -	\$ 30
3,498	67,851	675	70,955	-	8,893	6,322
45,166	236,956	9,883	1,593,180	-	41,421	232,706
-	-	-	-	-	103,793	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>48,749</u>	<u>333,464</u>	<u>10,558</u>	<u>2,141,657</u>	<u>4,500</u>	<u>154,107</u>	<u>239,058</u>
-	-	-	313,291	-	-	-
-	-	-	16,207	-	-	-
-	-	-	3,557,463	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,886,961	-	-	-
<u>\$ 48,749</u>	<u>\$ 333,464</u>	<u>\$ 10,558</u>	<u>\$ 6,028,618</u>	<u>\$ 4,500</u>	<u>\$ 154,107</u>	<u>\$ 239,058</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2013

	265	289	397
Data Control Codes	21st Century Grant	Various Federal Funds	Advanced Placement Incentive
Assets			
1110	\$ -	\$ -	\$ 37,921
Receivables:			
1240	42,865	21,347	-
1260	-	-	-
1290	-	-	-
1310	-	-	-
1410	-	-	-
1000	<u>\$ 42,865</u>	<u>\$ 21,347</u>	<u>\$ 37,921</u>
Liabilities and Fund Balance			
Liabilities:			
Current Liabilities:			
2110	\$ 70	\$ 1,695	\$ -
2160	22	-	-
2170	42,773	19,652	18
2180	-	-	-
2200	-	-	-
2300	-	-	37,903
2000	<u>42,865</u>	<u>21,347</u>	<u>37,921</u>
Fund Balance:			
Nonspendable			
3410	-	-	-
3430	-	-	-
Restricted			
3450	-	-	-
Committed			
3545	-	-	-
Unassigned			
3000	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 42,865</u>	<u>\$ 21,347</u>	<u>\$ 37,921</u>

404	410	429	461	481	486	
Student Succ. Init- Acc REA	Instructional Materials Allotment	State Funded Special Revenue	Campus Activity Funds	Other local funds	Miscellaneous Donations	Total Nonmajor Governmental Funds
\$ -	\$ 91,594	\$ 62,276	\$ 1,247,501	\$ 163,240	\$ 143	\$ 6,092,373
7,638	-	-	-	-	-	1,965,672
-	-	-	12,987	-	-	976,790
-	-	-	2,672	-	-	22,120
-	-	-	-	-	-	313,291
-	8,896	-	150	-	-	28,267
<u>\$ 7,638</u>	<u>\$ 100,490</u>	<u>\$ 62,276</u>	<u>\$ 1,263,310</u>	<u>\$ 163,240</u>	<u>\$ 143</u>	<u>\$ 9,398,513</u>
\$ -	\$ -	\$ -	\$ 22,414	\$ 2,046	\$ -	\$ 547,938
-	-	1,270	-	3,376	-	246,309
7,638	89,765	-	47,057	3,986	-	3,156,064
-	-	60,839	-	-	-	164,632
-	-	-	-	268	-	268
-	10,725	167	-	153,564	143	202,502
<u>7,638</u>	<u>100,490</u>	<u>62,276</u>	<u>69,471</u>	<u>163,240</u>	<u>143</u>	<u>4,317,713</u>
-	-	-	-	-	-	313,291
-	-	-	150	-	-	16,357
-	-	-	-	-	-	3,557,463
-	-	-	1,118,844	-	-	1,118,844
-	-	-	74,845	-	-	74,845
-	-	-	1,193,839	-	-	5,080,800
<u>\$ 7,638</u>	<u>\$ 100,490</u>	<u>\$ 62,276</u>	<u>\$ 1,263,310</u>	<u>\$ 163,240</u>	<u>\$ 143</u>	<u>\$ 9,398,513</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

Data Control Codes		205	206	211
		Head Start Regular and ARRA	Support for Homeless Educ. Prog.	ESEA Title I, Part A Improving Basic Programs
	Revenues			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	750,648	68,881	4,898,280
5020	Total revenues	<u>750,648</u>	<u>68,881</u>	<u>4,898,280</u>
	Expenditures			
	Current:			
0011	Instruction	-	16,649	3,211,838
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	1,051,355
0021	Instructional leadership	128,184	410	489,421
0023	School leadership	-	-	27,507
0031	Guidance, counseling and evaluation services	-	-	844
0032	Social work services	35,673	18,971	33,142
0033	Health services	63,692	-	-
0034	Student transportation	-	32,851	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	523,099	-	84,173
6030	Total Expenditures	<u>750,648</u>	<u>68,881</u>	<u>4,898,280</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)			
7912	Sale of real or personal property	-	-	-
7915	Transfers in	-	-	-
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

212	224	225	240	244	255	263
ESEA Title I, Part C	IDEA B Formula	IDEA B Preschool Grant	Child Nutrition	Vocational Ed - Basic	Title II, Part A	Title III, Part A
\$ -	\$ -	\$ -	\$ 2,659,052	\$ -	\$ 1,875	\$ -
-	-	-	69,897	-	-	-
165,089	3,456,529	65,671	9,991,003	271,540	698,668	741,061
165,089	3,456,529	65,671	12,719,952	271,540	700,543	741,061
23,044	2,384,549	65,671	-	270,380	252,803	341,102
-	-	-	-	-	-	-
-	425,318	-	-	1,160	438,691	388,238
69,579	159,984	-	-	-	9,049	5,432
-	750	-	-	-	-	809
720	424,905	-	-	-	-	-
31,155	1,667	-	-	-	-	-
-	45,975	-	-	-	-	-
2,863	12,259	-	-	-	-	5,480
-	-	-	12,373,803	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	224,436	-	-	-
-	390	-	-	-	-	-
-	-	-	-	-	-	-
37,728	732	-	-	-	-	-
165,089	3,456,529	65,671	12,598,239	271,540	700,543	741,061
-	-	-	121,713	-	-	-
-	-	-	2,008	-	-	-
-	-	-	-	-	-	-
-	-	-	2,008	-	-	-
-	-	-	123,721	-	-	-
-	-	-	3,763,240	-	-	-
\$ -	\$ -	\$ -	\$ 3,886,961	\$ -	\$ -	\$ -

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, 2013

	265	289	397
Data Control Codes	21st Century Grant	Various Federal Funds	Advanced Placement Incentive
Revenues			
5700	\$ -	\$ -	\$ -
5800	-	-	20,712
5900	288,751	308,169	-
5020	288,751	308,169	20,712
Expenditures			
Current:			
0011	208,152	142,711	13,370
0012	-	-	-
0013	981	10,701	7,342
0021	79,618	238	-
0023	-	-	-
0031	-	-	-
0032	-	-	-
0033	-	-	-
0034	-	-	-
0035	-	-	-
0036	-	-	-
0041	-	27,847	-
0051	-	1,100	-
0052	-	125,572	-
0053	-	-	-
0061	-	-	-
6030	288,751	308,169	20,712
1100	-	-	-
Other Financing Sources (Uses)			
7912	-	-	-
7915	-	-	-
7080	-	-	-
1200	-	-	-
0100	-	-	-
3000	\$ -	\$ -	\$ -

404	410	429	461	481	
Student Succ. Init- Acc REA	Instructional Materials Allotment	State Funded Special Revenue	Campus Activity Funds	Other local funds	Total - Nonmajor Governmental Funds
\$ -	\$ -	\$ 4,924	\$ 1,138,499	\$ 174,405	\$ 3,979,115
76,381	683,270	39	-	-	850,299
-	-	-	-	-	21,704,290
<u>76,381</u>	<u>683,270</u>	<u>4,963</u>	<u>1,138,499</u>	<u>174,405</u>	<u>26,533,704</u>
76,381	682,090	-	221,419	56,701	7,966,860
-	-	38	20,993	1,833	22,864
-	-	-	1,966	3,500	2,329,252
-	295	-	781	-	942,991
-	-	-	100,651	9,984	139,701
-	-	-	498	5,130	432,097
-	-	-	-	-	120,608
-	-	-	-	-	109,667
-	-	-	979	-	54,432
-	-	-	-	-	12,373,803
-	-	-	688,157	-	688,157
-	-	-	2,203	89,759	119,809
-	590	-	3,211	1,849	231,186
-	-	-	18,584	-	144,546
-	295	-	-	-	295
-	-	4,925	4,212	84,754	739,983
<u>76,381</u>	<u>683,270</u>	<u>4,963</u>	<u>1,063,654</u>	<u>253,510</u>	<u>26,416,251</u>
-	-	-	74,845	(79,105)	117,453
-	-	-	-	-	2,008
-	-	-	-	79,105	79,105
-	-	-	-	79,105	81,113
-	-	-	74,845	-	198,566
-	-	-	1,118,994	-	4,882,234
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,193,839</u>	<u>\$ -</u>	<u>\$ 5,080,800</u>

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
August 31, 2013

Exhibit H-3

	Balance September 1, 2012	Additions	Deductions	Balance August 31, 2013
Assets				
Cash and Cash Equivalents	\$ 331,268	\$ 4,533,518	\$ 4,527,667	\$ 337,119
Due From Others	-	61,860	56,917	4,943
Other Receivables	819	2,902	3,549	172
	<u>\$ 332,087</u>	<u>\$ 4,598,280</u>	<u>\$ 4,588,133</u>	<u>\$ 342,234</u>
Liabilities				
Accounts Payable	\$ 51,618	\$ 1,062,352	\$ 1,088,370	\$ 25,600
Due to Other Funds		3,738,582	3,683,628	\$ 54,954
Due to Student Groups	280,469	1,087,178	1,105,967	261,680
	<u>\$ 332,087</u>	<u>\$ 5,888,112</u>	<u>\$ 5,877,965</u>	<u>\$ 342,234</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended August 31, 2013

<u>Last Ten Fiscal Years</u>	<u>Tax Rates</u>		<u>Net Assessed/Appraised Value For School Tax Purposes</u>	<u>Beginning Balance 9/1/12</u>
	<u>Maintenance</u>	<u>Debt Service</u>		
2004 and prior	Various	Various	Various	\$ 1,643,365
2005	1.58000	0.21500	\$3,698,108,864	373,684
2006	1.61000	0.20500	3,800,153,223	264,506
2007	1.46750	0.24750	4,219,257,026	239,671
2008	1.18340	0.24750	4,817,270,110	256,771
2009	1.18340	0.27250	5,466,719,898	383,733
2010	1.18340	0.29500	5,682,442,359	442,216
2011	1.18340	0.33000	5,462,732,192	561,839
2012	1.18340	0.33000	5,420,068,595	1,028,919
2013	1.18340	0.33000	6,362,846,718	
1000 Totals				<u><u>\$ 5,194,704</u></u>
9000	Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Cose (Function 97)			<u>-</u>

20	31	32	40	50
<u>Current Year's Total Levy</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/13</u>
\$ -	\$ 41,806	\$ 4,930	\$ (322,997)	\$ 1,273,632
-	14,941	2,033	(8,478)	348,232
-	9,526	1,213	(12,063)	241,704
-	23,235	3,919	1,190	213,707
-	34,222	7,157	18,953	234,345
-	48,189	11,096	27,754	352,202
-	57,841	14,419	27,980	397,936
-	111,656	31,136	14,728	433,775
-	113,881	31,757	(308,465)	574,816
<u>96,048,750</u>	<u>77,881,955</u>	<u>16,889,937</u>	<u>135,702</u>	<u>1,412,560</u>
<u>\$ 96,048,750</u>	<u>\$ 78,337,252</u>	<u>\$ 16,997,597</u>	<u>\$ (425,696)</u>	<u>5,482,909</u>
				<u>Penalty and interest receivable on taxes</u>
				4,203,850
				<u>Total taxes receivable per Governmental Fund Balance Sheet (C-1)</u>
				<u>\$ 9,686,759</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2014-2015
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2013

Exhibit J-2

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION AND FUNCTION 99 (APPRAISAL DISTRICT COSTS)

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ 17,868	\$194,821	\$ 86,737	\$ 4,911,722	\$ -	\$ -	\$ 5,211,148
6149	Fringe Benefits (Terminal Leave Only for Separating Employees in Function 41 and Related 53)							-
6149	Fringe Benefits (Terminal Leave Only for Separating Employees in all Functions except Function 41 and Related 53)							-
6211	Legal Services		1,592			119,704		121,296
6212	Audit Services				59,860			59,860
6213	Tax Appraisal and Collection (Appraisal district costs only from function 99)		721,839					721,839
6214	Lobbying							-
621X	Other Prof. Services		18,000		79			18,079
6220	Tuition and Transfer Payments						299	299
6230	Education Service Centers				24,735			24,735
6240	Contr. Maint. and Repair					58,620		58,620
6250	Utilities							-
6260	Rentals		2,998	4,279		36,213		43,490
6290	Miscellaneous Contr.		10,790			152,120		162,910
6320	Textbooks and Reading	60	6,038	405		1,404		7,907
6330	Testing Materials							-
63XX	Other Supplies Materials	144		1,382		186,016		187,542
6410	Travel, Subsistence, Stipends	14,785	60			43,782		58,627
6420	Ins. and Bonding Costs		1,200			3,333		4,533
6430	Election Costs	25,119						25,119
6490	Miscellaneous Operating	8,158	520	25,165		277,225		311,068
6500	Debt Service							-
6600	Capital Outlay						53,618	53,618
6000	TOTAL	\$ 66,134	\$ 957,858	\$ 117,968	\$ 4,996,396	\$ 878,417	\$ 53,917	\$ 7,070,690

Total expenditures/expenses for General and Special Revenue Funds
 (plus Food Service Enterprise Fund if present) 9 \$ 194,043,034

Less: Deductions of Unallowable Costs

Fiscal Year	
Total Capital Outlay (6600)	10 \$ 4,570,422
Total Debt & Lease (6500)	11 79,019
Plant Maintenance (Function 51, 6100-6400)	12 21,376,369
Food (Function 35, 6341 and 6499)	13 5,308,701
Stipends (6413)	14 45
Column 4 (above) - Total Indirect Cost	4,996,396
Subtotal:	36,330,952
Net Allowed Direct Cost	\$ 157,712,082

Cumulative

Total Cost of Buildings before Depreciation (1520)	15 \$ 340,745,985
Historical Cost of Buildings over 50 years old	16 12,524,763
Amount of Federal Money in building Cost (Net of #16)	17 50,585
Total Cost of Furniture & Equipment before Depreciation (1530&1540)	18 50,790,616
Historical Cost of Furniture & Equipment over 16 years old	19 85,513
Amount of Federal Money in Furniture & Equipment (Net of #19)	20 4,259,831

(8) Note A -

\$ - in Function 53 expenditures directly related to Function 41 only are included in this report on administrative costs.
 \$ 721,839 in Function 99 expenditures directly related to appraisal district costs are included in this report.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit J-3

BUDGETARY COMPARISON SCHEDULE

CHILD NUTRITION FUND

For the Year Ended August 31, 2013

Data Control Codes		Budget		Actual	Variance Favorable (Unfavorable)
		Original	Final		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 2,630,856	\$ 2,630,856	\$ 2,659,052	\$ 28,196
5800	State Program Revenues	69,000	69,000	69,897	897
5900	Federal Program Revenues	10,598,486	10,650,486	9,991,003	(659,483)
5020	Total Revenues	<u>13,298,342</u>	<u>13,350,342</u>	<u>12,719,952</u>	<u>(630,390)</u>
Expenditures					
Current:					
0035	Food Services	12,975,495	12,975,495	12,373,803	601,692
0051	Plant maintenance and operations	562,744	614,744	224,436	390,308
6030	Total Expenditures	<u>13,538,239</u>	<u>13,590,239</u>	<u>12,598,239</u>	<u>992,000</u>
1100	Excess (Deficiency) Revenues Over Expenditures	(239,897)	(239,897)	121,713	361,610
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	2,008	2,008
1200	Net change in fund balances	(239,897)	(239,897)	123,721	363,618
0100	Fund Balance - beginning	<u>3,763,240</u>	<u>3,763,240</u>	<u>3,763,240</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 3,523,343</u>	<u>\$ 3,523,343</u>	<u>\$ 3,886,961</u>	<u>\$ 363,618</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the Year Ended August 31, 2013

Data Control Codes		Budget			Variance Favorable (Unfavorable)
		Original	Final	Actual	
	Revenues				
5700	Local, Intermediate, and Out-of-State	\$ 13,863,962	\$ 13,863,962	\$ 17,159,849	\$ 3,295,887
5800	State Program Revenues	3,034,288	3,034,288	4,503,773	1,469,485
5020	Total Revenues	<u>16,898,250</u>	<u>16,898,250</u>	<u>21,663,622</u>	<u>4,765,372</u>
	Expenditures				
	Current:				
	Debt Service:				
0071	Principal on long-term debt	9,172,769	9,172,769	9,172,769	-
0072	Interest on long-term debt	11,004,902	11,004,902	10,986,745	18,157
0073	Bond issuance costs and fees	22,329	552,329	531,805	20,524
6030	Total Expenditures	<u>20,200,000</u>	<u>20,730,000</u>	<u>20,691,319</u>	<u>38,681</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>(3,301,750)</u>	<u>(3,831,750)</u>	<u>972,303</u>	<u>4,804,053</u>
	Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	37,990,000	37,990,000	-
7916	Premium or discount on issuance of bonds	-	3,215,000	3,212,391	(2,609)
8949	Payment to bond refunding escrow agent	-	(41,205,000)	(40,619,106)	585,894
	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>583,285</u>	<u>583,285</u>
1200	Net change in fund balances	(3,301,750)	(3,831,750)	1,555,588	5,387,338
0100	Fund Balance - beginning	<u>7,386,838</u>	<u>7,386,838</u>	<u>7,386,838</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 4,085,088</u>	<u>\$ 3,555,088</u>	<u>\$ 8,942,426</u>	<u>\$ 5,387,338</u>

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:

	<u>Page</u>
Financial Trends	77
These schedules contain trend information to show how the District’s financial performance and position have changed over time	
Revenue Capacity	84
These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.	
Debt Capacity	92
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	98
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	102
These schedules provide information about the District’s operations and resources to assist in using the financial statement information to better understand and assess the District’s economic condition.	

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

GALENA PARK INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS*

(Accrual Basis of Accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities:			
Net investment in capital assets	\$ 49,874,363	\$ 42,188,128	\$ 48,387,569
Restricted	14,851,584	13,023,826	10,016,278
Unrestricted	35,445,797	20,082,317	10,028,641
Total Governmental Activities Net Position	<u>\$ 100,171,744</u>	<u>\$ 75,294,271</u>	<u>\$ 68,432,488</u>

Table 1

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 53,833,026	\$ 49,875,572	\$ 52,299,778	\$ 51,849,703	\$ 51,112,413	\$ 61,209,595	\$ 52,104,329
10,531,018	9,835,302	9,702,298	8,028,543	8,122,503	7,557,687	9,825,046
5,897,450	10,646,315	5,488,537	4,843,758	(1,221,323)	(4,191,321)	10,500,883
<u>\$ 70,261,494</u>	<u>\$ 70,357,189</u>	<u>\$ 67,490,613</u>	<u>\$ 64,722,004</u>	<u>\$ 58,013,593</u>	<u>\$ 64,575,961</u>	<u>\$ 72,430,258</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2013	2012	2011
Expenses:			
Governmental Activities:			
Instruction	\$ 109,987,706	\$ 110,548,329	\$ 119,602,322
Instructional Resources and Media Services	2,287,463	2,421,087	2,516,129
Curriculum and Instructional Staff Development	4,482,176	4,508,432	5,345,912
Instructional Leadership	4,903,977	4,728,055	5,141,031
School Leadership	9,893,329	9,877,826	10,620,953
Guidance, Counseling, and Evaluation Services	5,941,390	5,606,717	6,634,847
Social Work Services	468,203	419,590	388,202
Health Services	1,612,708	1,641,843	1,733,425
Student (Pupil) Transportation	5,436,683	5,533,763	5,520,678
Food Services	13,033,476	12,325,411	12,428,159
Cocurricular/Extracurricular Activities	4,115,658	3,896,064	4,209,663
General Administration	6,412,028	6,445,569	6,905,251
Plant Maintenance and Operations	24,590,808	23,624,581	25,311,366
Security and Monitoring Services	2,283,366	2,013,057	1,968,539
Data Processing Services	2,431,715	2,539,098	2,289,328
Community Services	1,408,790	1,419,328	1,387,390
Debt Service - Interest on Long-term Debt	12,742,302	13,296,766	13,569,926
Debt Service - Bond Issuance Costs and Fees	-	-	2,100
Facilities Acquisition and Construction	298,375	-	-
Payments to Appraisal District	721,839	680,484	687,831
Total Governmental Activities Expenses	213,051,992	211,526,000	226,263,052
Total Primary Government Expenses	213,051,992	211,526,000	226,263,052
Program Revenues:			
Governmental Activities:			
Charges for Services:			
Instruction	477,304	378,481	691,838
School Leadership	95,685	92,036	108,021
Food Services	2,651,893	2,584,100	2,629,662
Cocurricular/Extracurricular Activities	887,698	776,879	755,675
General Administration	-	-	-
Plant Maintenance and Operations	145,470	29,935	145,482
Security and Monitoring Services	-	-	-
Facilities repairs and maintenance	-	-	-
Other Activities	-	-	-
Operating Grants and Contributions	33,165,174	34,920,645	47,454,168
Total Governmental Activities Program Revenues	37,423,224	38,782,076	51,784,846
Total Primary Government Program Revenues	37,423,224	38,782,076	51,784,846

Table 2
Page 1 of 2

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 122,370,042	\$ 113,577,108	\$ 108,256,241	\$ 97,192,638	\$ 103,888,973	\$ 96,513,939	\$ 90,123,925
2,534,826	2,442,877	2,329,227	2,118,912	2,223,039	2,065,060	1,988,642
5,908,955	5,161,904	4,269,795	3,989,393	4,653,581	4,301,105	3,577,020
4,956,514	4,445,447	4,750,832	3,909,503	3,632,373	3,429,591	3,160,508
11,178,042	10,327,302	9,968,042	8,789,170	8,933,777	8,634,915	8,117,501
6,937,775	6,148,901	6,090,505	5,592,874	5,532,078	5,404,307	5,587,258
537,078	593,215	625,719	673,929	646,963	537,622	443,172
1,724,297	1,574,097	1,413,780	1,301,805	1,222,425	1,185,118	1,189,319
5,508,054	4,584,314	4,950,809	4,807,046	4,894,751	4,506,781	4,418,172
11,309,542	9,775,884	10,162,221	9,337,078	9,247,540	9,040,373	8,846,238
3,842,327	3,538,725	3,307,338	3,124,249	3,220,584	3,120,988	3,448,889
7,385,442	5,963,619	5,953,647	6,265,341	6,210,987	6,664,173	5,925,285
24,487,945	20,412,889	21,412,919	19,147,258	18,699,421	18,441,309	18,510,350
2,363,252	2,105,534	2,090,879	1,808,136	1,775,667	1,684,162	1,673,110
2,195,154	2,694,257	1,911,117	1,651,635	1,235,566	1,513,649	1,123,326
1,318,585	1,294,642	1,085,044	949,134	1,054,545	1,040,449	998,740
13,692,016	13,543,239	12,550,677	11,898,476	11,299,338	12,488,412	11,707,683
99,352	6,814	7,665	215,808	-	-	-
-	5,004,840	1,373,270	1,114,540	2,274,797	135,168	1,657,418
667,412	586,095	563,772	-	-	-	-
229,016,610	213,781,703	203,073,499	183,886,925	190,646,405	180,707,121	172,496,556
229,016,610	213,781,703	203,073,499	183,886,925	190,646,405	180,707,121	172,496,556
321,668	253,892	511,097	531,777	263,462	314,536	443,259
141,352	121,318	108,929	144,475	77,443	69,631	62,811
2,664,951	2,671,651	2,813,059	2,348,231	2,492,018	2,425,162	2,572,020
341,864	285,589	334,166	330,813	237,615	294,651	445,032
-	23,471	38,669	72,693	743,795	35,323	43,397
160,201	109,623	84,388	113,675	128,817	126,236	104,108
59,129	66,313	-	-	9,173	210,575	35,463
-	11,884	199,927	199,927	-	-	-
-	12,918	30,142	61,725	83,223	105,857	79,071
52,386,497	35,532,170	30,617,676	27,854,681	32,028,531	27,335,714	23,967,337
56,075,662	39,088,829	34,738,053	31,657,997	36,064,077	30,917,685	27,752,498
56,075,662	39,088,829	34,738,053	31,657,997	36,064,077	30,917,685	27,752,498

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense) / Revenue:			
Governmental Activities	\$ (175,628,768)	\$ (172,743,924)	\$ (174,478,206)
Total Primary Government Net (Expense)/Revenue	<u>(175,628,768)</u>	<u>(172,743,924)</u>	<u>(174,478,206)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$ 96,263,557	82,406,881	82,638,413
State Aid - Formula Grants	103,793,652	90,609,429	89,566,964
Unrestricted Grants and Contributions	7,039	3,524,025	3,619
Investment Earnings	177,448	195,268	226,543
Miscellaneous Income	264,545	325,679	213,661
Total Governmental Activities	<u>200,506,241</u>	<u>177,061,282</u>	<u>172,649,200</u>
Total Primary Government	<u>200,506,241</u>	<u>177,061,282</u>	<u>172,649,200</u>
Change in Net Position			
Governmental Activities	24,877,473	4,317,358	(1,829,006)
Total Primary Government	<u>\$ 24,877,473</u>	<u>\$ 4,317,358</u>	<u>\$ (1,829,006)</u>

2010	2009	2008	2007	2006	2005	2004
\$ (172,940,948)	\$ (174,692,874)	\$ (168,335,446)	\$ (152,228,928)	\$ (154,582,328)	\$ (149,789,436)	\$ (144,744,058)
(172,940,948)	(174,692,874)	(168,335,446)	(152,228,928)	(154,582,328)	(149,789,436)	(144,744,058)
84,019,149	79,970,986	\$ 70,110,785	\$ 72,803,076	\$ 68,572,107	\$ 64,881,658	\$ 61,606,343
88,240,597	96,509,112	98,205,339	81,439,459	75,730,783	73,887,932	76,565,779
133,886	366	7,260	836,330	1,022,391	-	-
285,073	1,041,617	2,709,581	3,497,284	1,883,506	1,386,141	1,072,089
166,548	37,369	71,096	361,190	811,173	687,274	899,243
172,845,253	177,559,450	171,104,061	158,937,339	148,019,960	140,843,005	140,143,454
172,845,253	177,559,450	171,104,061	158,937,339	148,019,960	140,843,005	140,143,454
(95,695)	2,866,576	2,768,615	6,708,411	(6,562,368)	(8,946,431)	(4,600,604)
\$ (95,695)	\$ 2,866,576	\$ 2,768,615	\$ 6,708,411	\$ (6,562,368)	\$ (8,946,431)	\$ (4,600,604)

GALENA PARK INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified Accrual Basis of Accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ 2,481,483
Unreserved	-	-	-	41,272,266
Nonspendable	2,197,568	2,237,057	1,671,045	-
Assigned	31,379,551	30,576,739	28,828,263	-
Unassigned	43,934,114	22,881,292	18,590,443	-
Total General Fund	<u>\$ 77,511,233</u>	<u>\$ 55,695,088</u>	<u>\$ 49,089,751</u>	<u>\$ 43,753,749</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ 8,881,453
Unreserved	-	-	-	22,880,112
Nonspendable	330,573	259,018	391,839	-
Restricted	14,938,506	15,433,451	20,337,361	-
Committed	1,118,844	1,117,250	925,527	-
Unassigned	74,845	-	(2,513)	-
Total all other governmental funds	<u>\$ 16,462,768</u>	<u>\$ 16,809,719</u>	<u>\$ 21,652,214</u>	<u>\$ 31,761,565</u>

In fiscal year 2011, the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The fund balance classifications of Reserved and Unreserved are not used. The prior years were not restated.

Table 3

2009	2008	2007	2006	2005	2004
\$ 2,481,483	\$ 1,155,917	\$ 606,890	\$ 963,930	\$ 772,189	\$ 691,560
41,272,266	34,900,554	28,486,876	18,835,642	17,135,877	24,845,578
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 43,753,749	\$ 36,056,471	\$ 29,093,766	\$ 19,799,572	\$ 17,908,066	\$ 25,537,138
\$ 8,451,723	\$ 8,372,217	\$ 7,850,712	\$ 6,443,115	\$ 6,617,530	\$ 7,113,363
10,909,530	18,606,927	19,446,036	14,055,414	180,343	19,179,388
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 19,361,253	\$ 26,979,144	\$ 27,296,748	\$ 20,498,529	\$ 6,797,873	\$ 26,292,751

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues			
Local, intermediate, and out-of-state	\$ 100,870,878	\$ 86,839,658	\$ 88,352,462
State program revenues	111,519,829	100,431,290	101,831,613
Federal program revenues	25,300,766	28,555,473	35,122,701
Total revenues	<u>237,691,473</u>	<u>215,826,421</u>	<u>225,306,776</u>
Expenditures			
Current:			
Instruction	105,345,195	104,778,613	113,533,933
Instruction resources and media services	2,096,006	2,156,143	2,238,478
Curriculum and instructional staff development	4,465,590	4,486,751	5,322,015
Instructional leadership	4,807,130	4,699,674	5,027,723
School leadership	9,780,324	9,733,219	10,470,061
Guidance, counseling and evaluation services	5,905,014	5,558,339	6,582,751
Social work services	466,373	417,632	386,115
Health services	1,580,846	1,606,261	1,695,358
Student transportation	5,610,045	5,210,690	5,098,572
Food services	12,385,551	12,037,705	13,163,036
Extracurricular activities	3,533,511	3,384,149	4,182,803
General administration	6,348,851	6,143,821	6,732,709
Facilities maintenance and operations	21,969,662	21,411,993	23,414,498
Security and monitoring services	2,412,958	2,044,109	2,006,943
Data processing services	2,635,290	2,826,525	2,449,516
Community services	1,395,984	1,406,599	1,373,535
Principal on long-term debt	9,904,288	8,124,325	10,848,290
Interest on long-term debt	11,049,145	13,148,832	10,496,688
Bond issuance costs and fees	533,905	166,082	165,893
Facilities acquisition and construction expenditures	3,892,873	4,583,902	8,337,870
Payments to appraisal districts	721,839	680,484	687,831
Total Expenditures	<u>216,840,380</u>	<u>214,605,848</u>	<u>234,214,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,851,093</u>	<u>1,220,573</u>	<u>(8,907,842)</u>
Other financing sources (uses)			
Refunding bonds issued	37,990,000	9,234,299	9,250,000
Capital related debt issued (regular bonds)	-	-	-
Sale of real or personal property	34,816	230,813	79,973
Transfers in	79,105	1,346,897	235,750
Premium or discount on issuance of bonds	3,212,391	745,214	671,423
Transfers out	(79,105)	(1,346,897)	(235,750)
Payment to bond refunding escrow agent	(40,619,106)	(9,796,601)	(9,753,590)
Other resources	-	128,542	89,284
Other uses - court ordered tax refunds	-	-	-
Total other financing sources (uses)	<u>618,101</u>	<u>542,267</u>	<u>337,090</u>
Net change in Fund Balances	<u>\$ 21,469,194</u>	<u>\$ 1,762,840</u>	<u>\$ (8,570,752)</u>
Debt service as a percentage of noncapital expenditures*	9.95%	10.23%	9.52%

* Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less current year capital outlay

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		
2004	\$ 2,652,556,100	\$ 1,489,438,710	\$ (776,840,858)	\$ 3,365,153,952
2005	2,722,443,030	1,622,986,620	(647,320,786)	3,698,108,864
2006	2,830,356,580	2,244,981,496	(1,275,184,853)	3,800,153,223
2007	2,949,272,449	2,672,340,941	(1,402,356,364)	4,219,257,026
2008	3,153,068,761	3,114,049,982	(1,449,848,633)	4,817,270,110
2009	3,334,047,889	3,801,206,900	(1,668,534,891)	5,466,719,898
2010	3,374,490,897	3,950,573,931	(1,681,471,194)	5,643,593,634
2011	3,268,053,301	3,908,453,891	(1,683,347,545)	5,493,159,647
2012	3,250,137,926	4,002,379,770	(1,832,449,109)	5,420,068,587
2013	3,287,403,674	5,077,288,433	(2,001,845,389)	6,362,846,718

(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. HCAD did not provide market value figures prior to fiscal year 2006.

Table 6

Total Direct Tax Rate (1)	Actual Value	Assessed Value as a Percentage of Actual Value
\$ 1.76500	N/A	N/A
1.79500	N/A	N/A
1.81500	5,104,704,974	74%
1.71500	\$ 5,644,760,134	75%
1.43090	6,296,753,135	77%
1.45590	7,164,108,053	76%
1.47840	7,340,015,099	77%
1.51340	7,191,240,810	76%
1.51340	7,264,497,418	75%
1.51340	8,376,275,379	76%

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

<u>Taxing Authority</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Overlapping Rates:				
Cities:				
Galena Park, City of	1.03745	1.03745	1.03745	1.03745
Houston, City of	0.63875	0.63875	0.63875	0.63875
Jacinto City, City of	0.79593	0.79593	0.80153	0.72107
Counties:				
Harris Co	0.39117	0.39117	0.38805	0.39224
Municipal Utility Districts:				
Harris Co MUD #8	0.56500	0.56500	0.54250	0.52750
Harris Co MUD #53	0.87500	0.87500	0.82500	0.79500
Harris Co MUD #285	0.94500	0.94500	0.93000	0.93000
Water Control and Improvement Districts:				
Harris Co WC&ID #36	0.29000	0.29000	0.29000	0.28000
Port of Houston Authority	0.01856	0.01856	0.02054	0.01640
Other Governmental Entities:				
Harris Co Dept of Education	0.00658	0.00658	0.06581	0.06050
Harris Co Flood Control District	0.02809	0.02809	0.02923	0.02920
Harris Co FWSD #51	0.34000	0.34000	0.32000	0.02922
San Jacinto Community College District	0.18560	0.18560	0.17628	0.17080
District Direct Rates:				
Maintenance and Operations	1.24330	1.18340	1.18340	1.18340
Debt Service	0.27010	0.33000	0.33000	0.29500
Total District Direct Rates	<u>1.51340</u>	<u>1.51340</u>	<u>1.51340</u>	<u>1.47840</u>

Source: Harris County Tax Office
Harris County Appraisal District
Individual Jurisdictions

Table 7

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
1.03745	1.04745	1.04745	No Data	No Data	No Data
0.63875	0.64500	0.64750	0.65000	0.65500	0.65500
0.66147	0.67175	0.70880	0.83157	0.80700	0.81900
0.38923	0.39239	0.40240	0.39990	0.39990	0.38800
0.47000	0.49000	0.49000	No Data	No Data	No Data
0.79500	0.81500	0.81500	No Data	No Data	No Data
0.90000	0.90000	0.90000	No Data	No Data	No Data
0.28000	0.28000	0.28000	No Data	No Data	No Data
0.01770	0.01440	0.01300	0.01470	0.01670	0.02000
0.05840	0.05850	0.06290	0.06290	0.06290	No Data
0.03090	0.03110	0.03240	0.03320	0.03320	0.04170
0.03086	0.03060	0.27000	No Data	No Data	No Data
0.16341	0.14536	0.14536	1.39130	1.39130	1.39130
1.18340	1.18340	1.46750	1.61000	1.58000	1.56500
<u>0.27250</u>	<u>0.24750</u>	<u>0.24750</u>	<u>0.20500</u>	<u>0.21500</u>	<u>0.20000</u>
<u>1.45590</u>	<u>1.43090</u>	<u>1.71500</u>	<u>1.81500</u>	<u>1.79500</u>	<u>1.76500</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
 August 31, 2013

Table 8

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GE Packaged Power (1)	\$ 211,649,285	2	3.33%	\$ 200,997,340	1	5.97%
Helmerich & Payne	222,252,230	1	3.49%	40,975,020	10	1.22%
Magellan Terminal Holdings	134,813,957	6	2.12%	Not Available		
Valero Energy Corp	112,823,803	9	1.77%	Not Available		
Oil Tanking Houston, Inc.	115,417,135	8	1.81%	65,950,280	5	1.96%
Shell Oil Co.	182,831,387	4	2.87%	Not Available		
Chevron Chemical Co.	138,266,864	5	2.17%	Not Available		
Houston Fuel Oil	200,004,154	3	3.14%	75,525,640	4	2.24%
GB Biosciences Corp.	74,601,500		1.17%	80,497,380	3	2.39%
Williams Terminal Holding	Not Available			54,755,450	7	1.63%
Centerpoint Energy Houston	46,062,244		0.72%	61,207,260	6	1.82%
Marine Well Containment Company LLC	124,968,941	7	1.96%	Not Available		
Wilson Supply	84,878,727	10	1.33%	Not Available		
Wal-Mart	Not Available			48,617,380	9	
Stolt Nielson, Inc.	61,844,208		0.97%	49,558,740	8	1.47%
Calpine Construction Management Co.	Not Available			118,393,010	2	3.52%
	<u>1,710,414,435</u>		<u>26.88%</u>	<u>796,477,500</u>		<u>22.22%</u>

Source: District Records

Notes:

(1) - Taxpayer name was GE Aero Energy Products in 2004.

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

Table 9

Fiscal Year Ended August 31,	Total Tax Levy * for Fiscal Year (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	60,833,459	59,080,899	97.12%	1,340,237	\$ 60,421,136	99.32%
2005	63,125,704	61,390,689	97.25%	1,386,783	62,777,472	99.45%
2006	69,330,785	67,322,148	97.10%	1,766,933	69,089,081	99.65%
2007	72,150,937	70,597,750	97.85%	1,339,478	71,937,228	99.70%
2008	68,860,932	67,634,905	98.22%	991,682	68,626,587	99.66%
2009	78,949,383	77,745,766	98.48%	851,415	78,597,181	99.55%
2010	83,603,034	81,391,301	97.35%	1,342,168	82,733,469	98.96%
2011	82,672,989	81,347,725	98.40%	584,727	81,932,452	99.10%
2012	81,698,734	80,669,815	98.74%	145,638	80,815,453	98.92%
2013	96,048,750	94,771,892	98.67%		94,771,892	98.67%

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

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

Table 10

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt per Student (2)
	Schoolhouse and Refunding Bonds	Qualified Zone Academy Bonds			
2004	198,252,930	15,204,532	213,457,462	6.34%	10,470
2005	196,727,149	9,426,541	206,153,690	5.57%	9,948
2006	211,818,429	8,695,022	220,513,451	5.80%	10,391
2007	228,582,052	7,963,504	236,545,556	5.61%	11,168
2008	238,349,616	7,231,985	245,581,601	5.10%	11,672
2009	229,711,908	6,500,466	236,212,374	4.32%	11,138
2010	237,331,818	5,768,947	243,100,765	4.31%	11,355
2011	223,176,489	5,037,428	228,213,917	4.15%	10,587
2012	215,357,982	4,305,909	219,663,891	4.05%	10,086
2013	205,045,213	3,574,390	208,619,603	3.28%	9,478

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.

Table 16

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
1,520	1,545	1,532	1,603	1,523	1,461
285	227	218	190	169	156
72	75	67	72	65	62
27	29	36	50	45	56
141	146	176	150	93	138
<u>976</u>	<u>950</u>	<u>914</u>	<u>927</u>	<u>950</u>	<u>867</u>
<u><u>3,021</u></u>	<u><u>2,972</u></u>	<u><u>2,943</u></u>	<u><u>2,992</u></u>	<u><u>2,845</u></u>	<u><u>2,740</u></u>

Table 17

District Employees				Final Enrollment	Percentage Increase in Enrollment	Student / Teacher Ratio	Students Participating in Free/Reduced Lunch Program
Teachers	Professionals	Other	Total				
1,461	274	1,005	2,740	20,388	2.01%	14	14,397
1,523	279	1,043	2,845	20,724	1.65%	14	14,598
1,603	312	1,077	2,992	21,221	2.40%	13	15,320
1,532	321	1,090	2,943	21,180	-0.19%	14	16,366
1,545	331	1,096	2,972	21,041	-0.66%	14	16,042
1,520	384	1,117	3,021	21,208	0.79%	14	17,983
1,573	379	1,142	3,094	21,409	0.95%	14	17,761
1,537	410	1,157	3,104	21,557	0.69%	14	16,842
1,492	370	1,112	2,974	21,780	1.03%	15	17,216
1,480	297	1,163	2,940	22,012	1.07%	15	18,220

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

Table 18

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Statewide Average (2)
2004	35,850	57,824	40,476
2005	36,275	58,875	41,009
2006	37,500	59,526	41,743
2007	40,000	62,875	44,897
2008	41,000	64,925	46,179
2009	43,000	67,475	47,159
2010	44,500	69,525	48,263
2011	45,000	70,575	48,638
2012	45,000	70,575	48,375
2013	45,000	70,575	48,821

(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	2013	2012	2011
HIGH SCHOOLS				
Galena Park	1950			
Square Footage		277,914	277,914	277,914
Additions				
Revised Sq Ft		<u>277,914</u>	<u>277,914</u>	<u>277,914</u>
Capacity (see note #1)		1,869	1,869	1,869
Enrollment		1,915	1,867	1,733
North Shore West	1954			
Square Footage		390,876	390,876	390,876
Additions				
Revised Sq Ft		<u>390,876</u>	<u>390,876</u>	<u>390,876</u>
Capacity (see note #1)		1,678	1,678	1,678
Enrollment		1,156	1,122	1,193
North Shore East (see note #3)	1956			
Square Footage		120,555	120,555	120,555
Additions				
Revised Sq Ft		<u>120,555</u>	<u>120,555</u>	<u>120,555</u>
Capacity (see note #1)		1,134	1,134	1,134
Enrollment (see note #2)				
North Shore Senior High	1998			
Square Footage		492,913	492,913	492,913
Additions				
Revised Sq Ft		<u>492,913</u>	<u>492,913</u>	<u>492,913</u>
Capacity (see note #1)		3,384	3,384	3,384
Enrollment		3,319	3,322	3,241
Sub-Total Sq Ft. High Schools		<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>
 MIDDLE SCHOOLS				
Galena Park	1993			
Square Footage		149,394	149,394	149,394
Additions				
Revised Sq Ft		<u>149,394</u>	<u>149,394</u>	<u>149,394</u>
Capacity (see note #1)		1,106	1,106	1,106
Enrollment		1,052	1,072	1,060
North Shore	1993			
Square Footage		216,836	216,836	216,836
Additions				
Revised Sq Ft		<u>216,836</u>	<u>216,836</u>	<u>216,836</u>
Capacity (see note #1)		1,449	1,449	1,449
Enrollment		1,310	1,269	1,324

Table 19
Page 1 of 5

2010	2009	2008	2007	2006	2005	2004
277,914	277,914	277,914	277,914	277,914	277,914	209,234
						68,680
<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>
1,869	1,869	1,869	1,869	1,869	1,869	1,869
1,857	1,800	1,748	1,728	1,711	1,671	1,620
390,876	390,876	390,876	390,876	390,876	390,876	390,876
<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>
1,678	1,678	1,678	1,678	1,678	1,678	1,678
1,135	1,087	2,150	2,161	2,173	2,134	2,123
120,555	120,555	120,555	120,555	120,555	120,555	120,555
<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>
1,134	1,134	1,134	1,134	1,134	1,134	1,134
492,913	492,913	356,213	356,213	356,213	319,513	319,513
		136,700			13,500	
<u>492,913</u>	<u>492,913</u>	<u>492,913</u>	<u>356,213</u>	<u>356,213</u>	<u>333,013</u>	<u>319,513</u>
3,384	3,384	3,384	2,187	2,187	1,734	1,734
3,052	2,967	1,851	1,862	1,867	1,765	1,735
<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>	<u>1,145,558</u>	<u>1,145,558</u>	<u>1,122,358</u>	<u>1,108,858</u>
149,394	149,394	149,394	149,394	149,394	149,394	139,290
						10,104
<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>
1,106	1,106	1,106	1,106	1,106	1,106	1,106
1,002	1,003	932	921	933	980	1,009
216,836	216,836	216,836	216,836	216,836	216,836	216,836
<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>
1,449	1,449	1,449	1,449	1,449	1,449	1,449
1,304	1,357	1,406	1,396	1,299	1,268	1,246

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2013	2012	2011
MIDDLE SCHOOLS (continued)				
Woodland Acres	1947			
Square Footage		97,086	97,086	97,086
Additions				
Revised Sq Ft		<u>97,086</u>	<u>97,086</u>	<u>97,086</u>
Capacity (see note #1)		659	659	659
Enrollment		458	472	487
Cunningham	1981			
Square Footage		167,234	167,234	167,234
Additions				
Revised Sq Ft		<u>167,234</u>	<u>167,234</u>	<u>167,234</u>
Capacity (see note #1)		1,123	1,123	1,123
Enrollment		887	913	907
Cobb 6th Grade Campus	2000			
Square Footage		130,893	130,893	130,893
Additions				
Revised Sq Ft		<u>130,893</u>	<u>130,893</u>	<u>130,893</u>
Capacity (see note #1)		1,240	1,240	1,240
Enrollment		1,155	1,162	1,009
Sub-Total Sq Ft. Middle Schools		<u>761,443</u>	<u>761,443</u>	<u>761,443</u>
 ELEMENTARY SCHOOLS				
Cimarron	1954			
Square Footage		90,123	90,123	90,123
Additions				
Revised Sq Ft		<u>90,123</u>	<u>90,123</u>	<u>90,123</u>
Capacity (see note #1)		1,034	1,034	1,034
Enrollment		809	810	807
Cloverleaf	1942			
Square Footage		89,346	89,346	89,346
Additions				
Revised Sq Ft		<u>89,346</u>	<u>89,346</u>	<u>89,346</u>
Capacity (see note #1)		1,048	1,048	1,048
Enrollment		845	804	836
Galena Park	1936			
Square Footage		79,396	79,396	79,396
Additions				
Revised Sq Ft		<u>79,396</u>	<u>79,396</u>	<u>79,396</u>
Capacity (see note #1)		700	700	700
Enrollment		670	655	667

Table 19
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2010	2009	2008	2007	2006	2005	2004
97,086	97,086	88,244	88,244	88,244	88,244	88,244
		8,842				
<u>97,086</u>	<u>97,086</u>	<u>97,086</u>	<u>88,244</u>	<u>88,244</u>	<u>88,244</u>	<u>88,244</u>
659	659	659	490	490	490	490
509	487	479	495	478	439	416
162,765	162,765	162,765	162,765	162,765	162,765	162,765
<u>162,765</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>
1,047	1,047	1,047	1,047	1,047	1,047	1,047
932	888	819	872	938	861	923
130,893	130,893	130,893	130,893	130,893	130,893	130,893
<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>
1,240	1,240	1,240	1,240	1,240	1,240	1,240
1,066	1,098	1,107	1,163	1,113	1,090	1,033
<u>756,974</u>	<u>756,974</u>	<u>756,974</u>	<u>748,132</u>	<u>748,132</u>	<u>748,132</u>	<u>748,132</u>
90,123	90,123	90,123	90,123	90,123	90,123	90,123
<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>
1,034	1,034	1,034	1,034	1,034	1,034	1,034
855	880	925	993	985	997	949
89,346	89,346	89,346	89,346	89,346	89,346	89,346
<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>
1,048	1,048	1,048	1,048	1,048	1,048	1,048
777	779	767	902	896	918	962
79,396	79,396	64,348	64,348	64,348	64,348	64,348
		15,048				
<u>79,396</u>	<u>79,396</u>	<u>79,396</u>	<u>64,348</u>	<u>64,348</u>	<u>64,348</u>	<u>64,348</u>
700	700	700	613	613	613	613
643	649	619	598	632	663	655

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2013	2012	2011
ELEMENTARY SCHOOLS (continued)				
Green Valley	1958			
Square Footage		96,041	96,041	96,041
Additions				
Revised Sq Ft		<u>96,041</u>	<u>96,041</u>	<u>96,041</u>
Capacity (see note #1)		988	988	988
Enrollment		701	679	669
Jacinto City	1943			
Square Footage		95,554	95,554	95,554
Additions				
Revised Sq Ft		<u>95,554</u>	<u>95,554</u>	<u>95,554</u>
Capacity (see note #1)		864	864	864
Enrollment		860	792	822
MacArthur	1951			
Square Footage		88,864	88,864	88,864
Additions				
Revised Sq Ft		<u>88,864</u>	<u>88,864</u>	<u>88,864</u>
Capacity (see note #1)		790	790	790
Enrollment		730	726	735
North Shore	1961			
Square Footage		88,789	88,789	88,789
Additions				
Revised Sq Ft		<u>88,789</u>	<u>88,789</u>	<u>88,789</u>
Capacity (see note #1)		920	920	920
Enrollment		912	885	854
Pyburn	1952			
Square Footage		73,654	73,654	73,654
Additions				
Revised Sq Ft		<u>73,654</u>	<u>73,654</u>	<u>73,654</u>
Capacity (see note #1)		720	720	720
Enrollment		683	652	623
Woodland Acres	1954			
Square Footage		62,010	62,010	62,010
Additions				
Revised Sq Ft		<u>62,010</u>	<u>62,010</u>	<u>62,010</u>
Capacity (see note #1)		499	499	499
Enrollment		422	426	453

Table 19
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2010	2009	2008	2007	2006	2005	2004
96,041	96,041	96,041	96,041	96,041	96,041	96,041
<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>
988	988	988	988	988	988	988
621	626	635	905	961	974	920
95,554	95,554	95,554	95,554	95,554	95,554	95,554
<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>
864	864	864	864	864	864	864
796	817	823	841	866	878	860
88,864	88,864	88,864	88,864	74,338 14,526	74,338	74,338
<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>74,338</u>	<u>74,338</u>
790	790	790	790	790	790	790
780	792	776	791	813	778	717
88,789	88,789	88,789	88,789	88,789	88,789	88,789
<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>
920	920	920	920	920	920	920
878	851	783	1,061	984	1,000	951
73,654	73,654	73,654	73,654	73,654	73,654	67,341 6,313
<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>
720	720	720	720	720	720	720
644	640	645	665	641	666	677
62,010	62,010	62,010	62,101	62,101	59,045 3,056	59,045
<u>62,010</u>	<u>62,010</u>	<u>62,010</u>	<u>62,101</u>	<u>62,101</u>	<u>62,101</u>	<u>59,045</u>
499	499	499	499	499	499	499
444	444	433	435	434	416	422

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2013	2012	2011
Elementary (continued)				
Tice	1981			
Square Footage		80,680	80,680	80,680
Additions				
Revised Sq Ft		<u>80,680</u>	<u>80,680</u>	<u>80,680</u>
Capacity (see note #1)		792	792	792
Enrollment		707	675	637
Purple Sage	1990			
Square Footage		92,795	92,795	92,795
Additions				
Revised Sq Ft		<u>92,795</u>	<u>92,795</u>	<u>92,795</u>
Capacity (see note #1)		747	747	747
Enrollment		512	572	594
Havard	2000			
Square Footage		102,713	102,713	102,713
Additions				
Revised Sq Ft		<u>102,713</u>	<u>102,713</u>	<u>102,713</u>
Capacity (see note #1)		890	890	890
Enrollment		674	684	665
Normandy Crossing	2004			
Square Footage		106,800	106,800	106,800
Additions				
Revised Sq Ft		<u>106,800</u>	<u>106,800</u>	<u>106,800</u>
Capacity (see note #1)		777	777	777
Enrollment		609	649	627
Shirley J Williamson	2003			
Square Footage		105,000	105,000	105,000
Additions				
Revised Sq Ft		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
Capacity (see note #1)		880	880	880
Enrollment		826	827	845
Sam Houston	2007			
Square Footage		105,000	105,000	105,000
Additions				
Revised Sq Ft		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
Capacity (see note #1)		871	871	871
Enrollment		827	827	845
Sub-Total Sq Ft. Elementary Schools		<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>

Table 19
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2010	2009	2008	2007	2006	2005	2004
80,680	80,680	80,680	80,680	80,680	80,680	80,680
<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>
792	792	792	792	792	792	792
637	664	648	631	654	742	809
92,795	84,495	84,495	84,495	84,495	84,495	84,495
	8,300					
<u>92,795</u>	<u>92,795</u>	<u>84,495</u>	<u>84,495</u>	<u>84,495</u>	<u>84,495</u>	<u>84,495</u>
747	747	747	747	747	747	747
591	576	611	737	768	781	793
102,713	102,713	102,713	102,713	102,713	102,713	95,413
						7,300
<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>
890	890	890	890	890	890	890
675	659	698	788	810	1,004	975
106,800	106,800	106,800	106,800	106,800	106,800	106,800
<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>
777	777	777	777	777	777	777
655	636	688	637	679	619	609
105,000	105,000	105,000				
<u>105,000</u>	<u>105,000</u>	<u>105,000</u>				
880	880	880				
813	778	790				
105,000	105,000	105,000				
<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
871	871	871				
813	778	790				
<u>1,356,765</u>	<u>1,356,765</u>	<u>1,348,465</u>	<u>1,123,508</u>	<u>1,123,508</u>	<u>1,108,982</u>	<u>1,105,926</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

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

Source: District Records

Note #1: Capacity does not include temporary buildings

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

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

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2010	2009	2008	2007	2006	2005	2004
9,295	9,295	9,295	9,295	9,295	9,295	9,295
<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>
64	64	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
<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>
48	48	48	48	48	48	48
48	48	48	48	48	48	48
<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>
3,100	3,100	3,100				
81,000	81,000	81,000	81,000	81,000	81,000	81,000
17,006	17,006	17,006	9,506	9,506	9,506	9,506
5,670	5,670	5,670	5,670	5,670	5,670	5,670
28,880	28,880	28,880	28,880	28,880	28,880	28,880
5,603	5,603	5,603	5,603	5,603	5,603	5,603
22,954	22,954	22,954	22,954	22,954	22,954	22,954
44,519	44,519	44,519	44,519	44,519	44,519	44,519
17,700	17,700	17,700	17,700	17,700	17,700	17,700
10,669	10,669	10,669	10,669	10,669	10,669	10,669
<u>237,101</u>	<u>237,101</u>	<u>237,101</u>	<u>226,501</u>	<u>226,501</u>	<u>226,501</u>	<u>226,501</u>
<u>3,652,044</u>	<u>3,652,044</u>	<u>3,643,744</u>	<u>3,262,645</u>	<u>3,262,645</u>	<u>3,224,919</u>	<u>3,208,363</u>

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
August, 31, 2013

Exhibit L-1

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? – Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 48,670,003

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