

# **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
June 30, 2019**

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

**955 Campbell Road, Houston, Texas 77024**

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**Prepared By The Department of Financial Services:**

**Karen Wilson  
Associate Superintendent for Finance**



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
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**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL OFFICIALS AND ADVISORS**

**BOARD OF TRUSTEES**

Pam Goodson, President  
Community Volunteer/Former Educator

Chris Gonzalez, Vice President  
Marketing and Education Consultant

Minda Caesar, Secretary  
Community Volunteer/Parent

J. Carter Breed, Trustee  
Owner/Realtor  
J. Carter Breed Properties

Reverend Josef D. Klam, Trustee  
Executive Pastor  
Chapelwood United Methodist Church

Karen Peck, Trustee  
Of Counsel/Attorney  
Ahmad, Zavitsanos, Anaipakos, Alavi & Mensing, P.C

Chris Vierra, Trustee  
Communications Consultant/Parent

**ADMINISTRATION**

Jennifer Blaine, Ed. D., Superintendent of Schools

Karen Wilson, CPA, Associate Superintendent for Finance

**CONSULTANTS AND ADVISORS**

Whitley Penn, L.L.P.  
Houston, Texas - Independent Auditors

Hunton Andrews Kurth, L.L.P.  
Houston, Texas - Bond Counsel

Post Oak Municipal Advisors LLC  
Houston, Texas – Co-Financial Advisor

Masterson Advisors LLC  
Houston, Texas – Co-Financial Advisor

## CERTIFICATE OF BOARD

**Spring Branch Independent School District**

**Harris**

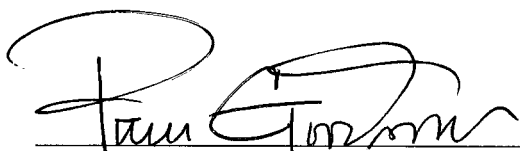
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\_\_\_\_\_  
Name of School District

\_\_\_\_\_  
County

\_\_\_\_\_  
District Number

We, the undersigned, certify that the annual financial reports for the above named school district were reviewed and approved for the year ended June 30, 2019, at a meeting of the Board of Trustees of such school district on the 18<sup>th</sup> of November 2019.

  
\_\_\_\_\_  
President of the Board

  
\_\_\_\_\_  
Secretary of the Board



November 18, 2019

To the Board of Trustees and Taxpayers of the Spring Branch 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 Spring Branch Independent School District (the “District”) for the fiscal year ended June 30, 2019.

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 L.L.P., 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 June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the District’s financial statements for the period ended June 30, 2019, 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**

Spring Branch Independent School District (SBISD) encompasses about 44 square miles of wooded suburbs and vibrant business and retail districts located west of downtown Houston in Harris County along Interstate 10, also known as the Katy Freeway.

About 200,000 district residents live in this region of west Houston and in the incorporated villages of Bunker Hill, Hedwig, Hilshire, Hunters Creek, Piney Point and Spring Valley. Many families have lived in the Memorial/Spring Branch area all their lives, while others are new to the area or are relocating for career reasons. Others choose to return to this school district because they rank high quality education as a top priority for their children. In addition, Spring Branch offers taxpayers every tax exemption allowed by Texas law, which results in lower school taxes for homeowners.

The school district follows a small neighborhood school concept where attendance areas have been established for each individual school. As an established community, attendance zones rarely change in the school district.

SBISD educates children from all over the world, and its student body reflects the increasing diversity of Texas and the nation. The district had a 2018-19 enrollment of 34,681 students. In that year, about 60 percent of all students were Hispanic, 27 percent were white, 6 percent were Asian, 5 percent were African-American, and 2 percent were American Indian or two or more ethnicities.

On April 26, 2016, SBISD's Board of Trustees approved unanimously a Local Innovation Plan as it is defined in state law, becoming one of the first school districts in Texas to obtain status as a District of Innovation. The status gives the district true local control and autonomy and greater flexibility and freedom to pursue the District's strategic plans. As a District of Innovation, SBISD is potentially exempt from state education rules in many areas, too.

The District's five-year strategic plan focus is to increase student achievement and develop a culture of high expectations for all students. The plan's goal, known as Spring Branch T-2-4, challenges the system to increase the number of students completing a technical certificate or military training, two-year or four-year degree from 44 percent to 72 percent by 2022.

SBISD's college-readiness indicators like the SAT have consistently exceeded state and national averages. In March 2019, approximately 89 percent of juniors (2,096 students) took the district-funded School Day SAT. The average score of 1017 was higher than state and national average scores of 948 and 952, respectively. While district ACT results this year remain pending, last year's district scores were above Texas and national averages. In 2018, ACT results found SBISD scores above Texas average scores in all areas, and at a 10-year high in SBISD's own composite score.

Meanwhile, the Advanced Placement (AP) program in SBISD remains strong. This spring, 5,395 AP course exams were taken by 2,639 SBISD students. AP exams are graded on a five-point scale with a score of 3 roughly equivalent to a C, a score of 4 rough equivalent to a B, and a score of 5 similar to an A. In the recent exam, 62 percent of the scored exams were graded as a 3 or higher. Such scores may assist SBISD graduates in earning future college credit or advanced course placements.

In October 2019, 32 high school seniors were named either National Merit Scholarship Program Semifinalists or National Hispanic Recognition Program award winners. At this time, 20 National Merit Semifinalists are now eligible through this program for significant business or scholarship opportunities.



SBISD is home to 25 elementary schools, seven traditional middle school campuses, four traditional high schools and several choice program options. These include two innovative public charter schools: Westchester Academy for International Studies (WAIS), a combined middle and high school campus that offers the challenging International Baccalaureate (IB) academic program, and Cornerstone Academy, a middle school highly rated by the state since its doors first opened more than a decade ago.

In 2012, SBISD joined with KIPP Houston (KIPP) and YES Prep Public Schools (YES Prep) to form charter campus programs at two district secondary schools, Landrum and Northbrook middle schools. In August 2015, a YES Prep high school program at Northbrook High School opened as a continuing option for graduates of the charter middle school programs at Landrum and Northbrook middle schools.

Elsewhere, the non-traditional Academy of Choice offers online, personalized learning and small group instruction. In 2013, the Spring Branch Academic Institute opened to serve children from kindergarten through fourth grade. This special program, a first in the Houston region, is designed to serve students identified and tested as highly gifted. By 2019, fifth through tenth grades had been added. Classes are taught at Thornwood Elementary School, Spring Forest Middle School and Stratford High School.

Dual Language Programs from prekindergarten through fifth grade are offered at Cedar Brook, Pine Shadows and Sherwood elementary schools. Dual language programs are also offered at several district secondary schools. The increasing popularity of choice options – from dual language to charter partnership programs like KIPP and YES Prep – has led SBISD to align its annual “Choice Fair” for families in November.

SBISD provides full-day prekindergarten for in-district 4-year old students as well as half-day prekindergarten for in-district 3-year old students. Five separate Schools for Early Learning are designed especially for prekindergarten classes. Prekindergarten classes are also offered at several elementary schools. Students who meet state eligibility requirements attend prekindergarten at no cost while others attend at a low comparable monthly cost.

In November 2017, Spring Branch voters approved an \$898.4 million bond, the biggest in district history. The bond will provide for rebuilding nine of the district’s oldest elementary schools and one middle school, addition and renovation at other campuses, upgrading safety and security, replacement of Career and Technical Education classroom equipment, replacement of aged music instruments and equipment, upgrading of athletics including four turf fields, and replacing older buses.

The privately run and financed Altharetta Yeargin Art Museum houses a donated collection of 600-plus art and artifacts from around the world valued at more than \$2 million. This museum facility is located on the WAIS campus.

For details, please visit [www.springbranchisd.com](http://www.springbranchisd.com).

## **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 currently enjoys a favorable economic environment and local indicators point to continued relative stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate.

The District's proximity to Houston, 10 miles from downtown, provides the area with access to the nation's second largest seaport in total tonnage, 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. In the fiscal year ended June 30, 2019 property values in the District increased 2.44%. The most recent data on Harris County per capita personal income also shows growth from \$51,186 in 2016 to \$53,188 in 2017. The Harris County unemployment rate decreased from 4.7% in June 2018 to 3.8% in June 2019. These economic indicators suggest continued moderate growth of the District's tax base. See Table 12 Demographic and Economic Statistics of this report for additional information.

## **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, as well as input from the District and campus-level planning and decision-making committees. 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 balance is defined as 19% of the current budget (except for non-spendable or restricted), while the debt service fund is defined as 15% of the current year debt service requirements.

Financial Planning. The foundation for the district's management and decision making is the five-year strategic plan and the plan's goal, known as Spring Branch T 2-4, to increase the number of students completing a technical certificate or military training, two-year or four-year degree from 44% to 72% by 2022. During the budget process, expenditures to support Spring Branch T-2-4 are identified and receive top funding priority. The District also maintains a Technology Roadmap and a Long-Range Facilities Plan. Estimated taxable values are a major factor in forecasting, as the District generates approximately 80% of general fund revenue and 98% of debt service revenue from local taxes. Other major factors used in developing these forecasts include number of students enrolled and in average daily attendance, salaries, insurance and cost of inflationary items such as utilities and fuel. Forecasts are prepared then reviewed several times a year and shared with the Board, staff, community and other stakeholders.

## Awards and Acknowledgements

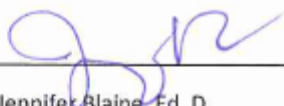
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we plan to submit it to the GFOA to determine its eligibility for another certificate.

The TEA has awarded the District a rating of "A - Superior" for the 2018-2019 Financial Integrity Rating System of Texas (FIRST). FIRST requires Texas public schools to be accountable for their financial management practices. The District's rating was based on performance against fifteen indicators of financial accountability. The district's numeric score on the indicators was 96 out of 100 demonstrating the quality of the District's financial management practices and reporting system.


The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial 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,



Dr. Jennifer Blaine, Ed. D.

Superintendent of Schools



Karen Wilson, CPA

Associate Superintendent for Finance

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN**  
**FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Spring Branch Independent School District, Texas for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such report must satisfy both accounting principles, generally accepted in the United States of America and applicable legal requirements.

Receiving the award is recognition that a school system has met the highest standards of excellence in government accounting and financial reporting.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Spring Branch Independent  
School District, Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

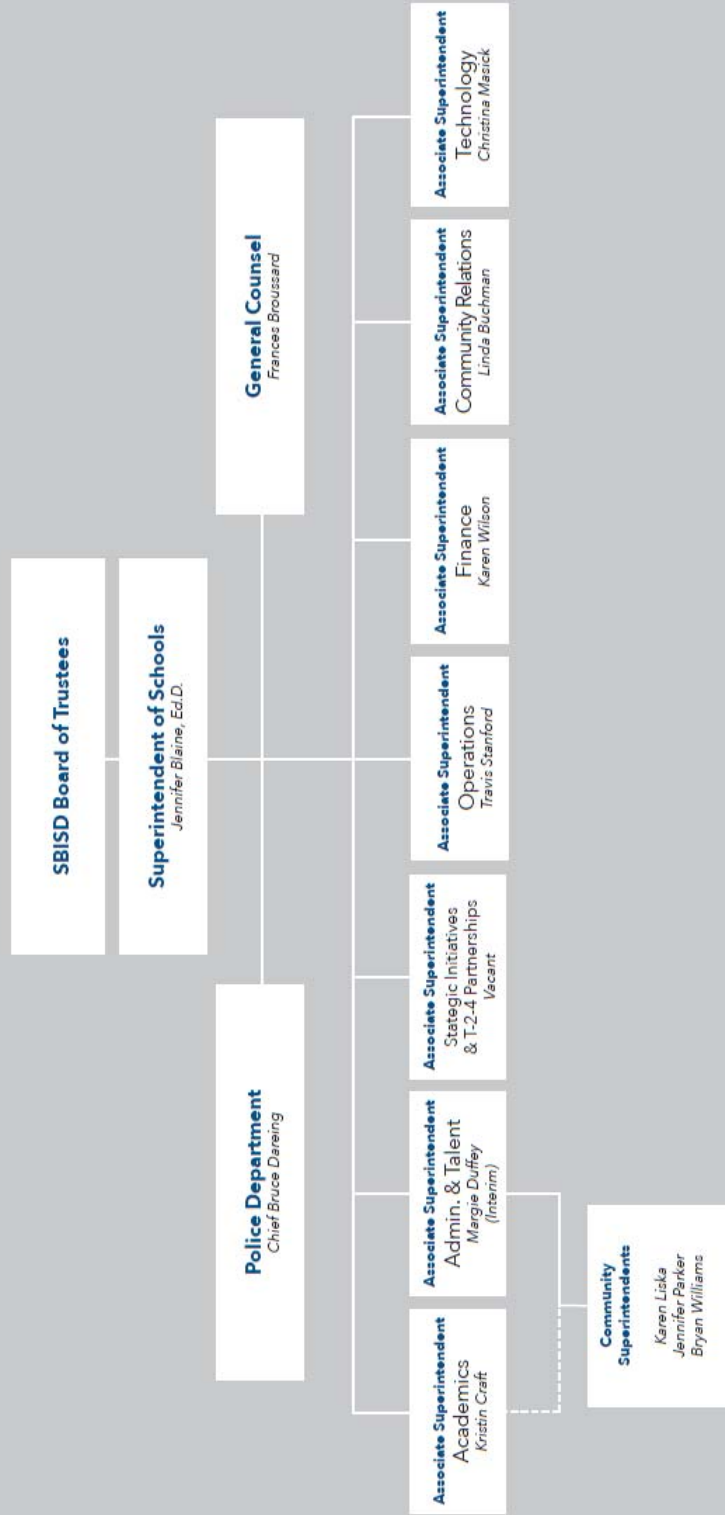
**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



## Spring Branch Independent School District



Last Updated: August 6, 2019

## **FINANCIAL SECTION**





## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Spring Branch Independent School District  
Houston, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Spring Branch Independent School District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that required supplementary information, such as management's discussion and analysis, budgetary comparison, pension information and other post-employment benefit information on pages 5-14, 80-81, and 82-86, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the Texas Education Agency required schedule, and other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information as described in the Table of Contents and the Texas Education Agency required schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund financial statements and the Texas Education Agency required schedule and budgetary schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Trustees  
Spring Branch 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 them.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas  
November 18, 2019



## **SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Spring Branch Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii to vii of this report.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$127,115,856 (net position). Of this amount, \$181,327,453 was net investment in capital assets, \$26,044,072 was restricted for debt service, \$4,698,881 was restricted for the Food Service Program and \$9,619,799 was restricted for federal and state programs, leaving the District with a net deficit of (\$94,574,349) in unrestricted net position. This deficit in unrestricted net position is due to the District's noncurrent liabilities of \$115,310,682, for the District's portion of the Teacher's Retirement System (TRS) net pension liability and \$136,249,530 for the District's portion of the TRS net other post-employment benefits liability.
- The District's total net position increased by \$73,107,826 as a result of this year's operations.
- The District's governmental funds reported combined ending fund balances of \$328,765,843 as of June 30, 2019. Non-spendable fund balances include \$891,111 for inventories on hand in the General Fund and Special Revenue Fund. and \$1,967,689 for prepaid items in the General Fund, Special Revenue Fund and Capital Projects Fund. Restricted Grant fund balances include \$4,698,881, which is primarily the Food Service Program fund balance, \$146,502,610 for Capital Projects Fund projects, \$36,598,724 for ongoing Debt Service Fund expenditures, and \$9,509,463 for Special Revenue Funds. Committed fund balance is \$1,396,610, which includes Campus Activity funds included in the Special Revenue Fund. Management has assigned fund balance of \$10,815,772 for General Fund future spending and \$1,389,563 for capital equipment. The remaining amount in unassigned fund balance of \$114,995,420 includes General Fund encumbrances re-appropriated in the subsequent year's budget of \$1,519,169 and the remaining amount is available for spending at the government's discretion.

#### **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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves, including schedules required by the District's state oversight agency, the Texas Education Agency (TEA).

## **SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

#### ***Government-Wide Financial Statements***

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 17 thru 19), which are prepared using accounting principles that are similar to commercial enterprises. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's capital assets, debt obligations, and other financial matters.

The Statement of Net Position includes all the District's assets, deferred outflow of resources, liabilities, and deferred inflows of resources at the end of the year, with the residual of these elements reported as *net position*. This difference is similar to the total owner's equity presented by a commercial enterprise. All of the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years. Although the purpose of the District is not to accumulate net position, in general, as the amount increases, it may indicate that the financial position of the District is improving over time. To fully assess the overall health of the District, however, other factors should be considered as well, such as changes in the District's average daily attendance, property tax base and the condition of the District's capital assets.

The purpose of the Statement of Activities is to present the revenues and expenses of the District. Again, the items presented on the Statement of Activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received for summer school and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in the equalization funding processes (general revenues). Although the Statement of Activities looks different from a commercial enterprise income statement, the financial statement is different only in format, not substance.

The District's business-type activities include the District's tuition/fee-based self-sustaining programs, such as athletic rentals/concessions, after school programs, employee childcare, community education, fine arts, facility rental and summer school. Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges.

The District does not have any component units for which it is financially accountable.

#### ***Fund Financial Statements***

Fund financial statements (starting on page 20) report the District's operations in more detail than the government-wide statements by providing information about the District's funds. For governmental activities, these statements reflect how services were financed in the short term as well as resources remaining for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to employees, students and community members, and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

## **SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

### ***MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)***

Laws and contracts require the District to establish some programs, such as grants received from the U.S. Department of Education. The District's administration establishes many program revenue and cost centers to help control and manage money for particular program purposes (such as campus activities).

All of the District's funds 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 government's near-term financing requirements. The focus of governmental funds is narrower than that of the government-wide financial statements therefore 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 government's near-term financing decisions. Both, the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four governmental funds. Information is presented separately in fund financial statements for the general, special revenue, debt service, and capital projects funds, all of which are considered to be major funds. The District adopts annual appropriations budgets at the revenue source and functional expenditure levels for its general fund, the food service program included in the special revenue fund, and debt service fund as required by TEA. Budgetary comparison schedules have been provided to demonstrate finance related legal compliance with these budgets.

**Proprietary funds** - Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. The District has one business-type activity (enterprise fund), which consists of tuition-based self-sustaining programs, such as Child Care, Adult Education and Driver's Education. The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District has one internal service fund, the Workers' Compensation Fund. The basic proprietary fund financial statements can be found on pages 27 to 29 of this report.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is the fiduciary for money raised by student activities and scholarships in private-purpose funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 30 and 31. We exclude these resources from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### ***Notes to the Financial Statements***

The notes to the financial statements (starting on page 33) provide narrative explanations or additional data needed for generally accepted full disclosure in the government-wide and fund financial statements.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Other 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 District has presented the general fund budget to actual comparisons in the supplementary information found on page 88 of this report. Additionally, the District's Food Service program included in the special revenue fund has an appropriated budget in accordance with requirements of TEA. This program budget is included on pages 90 and 91 of this report as it is considered a perspective difference regarding required supplemental information for presentation of major special revenue fund budget comparison information in accordance with generally accepted financial reporting practices.

**Government-Wide Financial Analysis**

The government-wide financial statements for the District's overall financial position and operations for the fiscal years June 30, 2019 and June 30, 2018, are summarized as follows, based on the information included in the government-wide financial statements.

The District's total assets plus deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$127,115,856 as of June 30, 2019, an increase of \$73,107,826 from June 30, 2018. The District's total unrestricted net position, which is the total net position of the District reduced by restricted net position of \$40,362,752 and net investment in capital assets of \$181,327,453, resulted in a deficit of (\$94,574,349) on June 30, 2019.

**Table I - Net Position Summary**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 411,063,674	\$ 383,461,461	\$ 3,006,653	\$ 2,466,634	\$ 414,070,327	\$ 385,928,095
Capital Assets	701,646,601	709,595,171	114,973	131,178	701,761,574	709,726,349
<b>Total Assets</b>	<b>1,112,710,275</b>	<b>1,093,056,632</b>	<b>3,121,626</b>	<b>2,597,812</b>	<b>1,115,831,901</b>	<b>1,095,654,444</b>
<b>Total Deferred Outflows of Resources</b>	<b>84,528,270</b>	<b>40,811,070</b>	<b>-</b>	<b>-</b>	<b>84,528,270</b>	<b>40,811,070</b>
Current Liabilities	83,655,332	78,139,468	282,663	405,036	83,937,995	78,544,504
Long-Term Liabilities	937,129,970	933,231,425	-	-	937,129,970	933,231,425
<b>Total Liabilities</b>	<b>1,020,785,302</b>	<b>1,011,370,893</b>	<b>282,663</b>	<b>405,036</b>	<b>1,021,067,965</b>	<b>1,011,775,929</b>
<b>Deferred Inflows of Resources</b>	<b>52,176,350</b>	<b>70,681,555</b>	<b>-</b>	<b>-</b>	<b>52,176,350</b>	<b>70,681,555</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	181,212,480	144,407,966	114,973	131,178	181,327,453	144,539,144
Restricted	40,362,752	41,203,585	-	-	40,362,752	41,203,585
Unrestricted	(97,298,339)	(133,796,297)	2,723,990	2,061,598	(94,574,349)	(131,734,699)
<b>Total Net Position</b>	<b>\$ 124,276,893</b>	<b>\$ 51,815,254</b>	<b>\$ 2,838,963</b>	<b>\$ 2,192,776</b>	<b>\$ 127,115,856</b>	<b>\$ 54,008,030</b>

Investment in capital assets (e.g. land, buildings, furniture and equipment) less any related debt used to acquire those assets that is still outstanding is \$181,327,453 as of June 30, 2019. Although the District's debt issuances are used primarily to acquire capital assets, it should be noted that the resources needed to repay the District's debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position of \$40,362,752 (approximately 31.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is a deficit of (\$94,574,349).



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

As shown in Table II, the net position of the District's governmental activities increased \$72,461,639 for the fiscal year ending June 30, 2019. The total cost of all governmental activities this year was \$521,792,574, an increase of \$150,310,749 from the previous year. The amount that the District's taxpayers paid for governmental activities through property taxes was \$425,224,864 or 71.6%, with operating grants and contributions of \$83,650,278 or 14.1%, and state funding of \$68,724,464 or 11.6% as the next most significant sources of revenue. Other sources of revenue for governmental activities were \$5,546,632 from user charges and \$11,104,080 from interest and other income.

**Table II - Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 5,546,632	\$ 4,968,834	\$ 3,692,274	\$ 3,508,297	\$ 9,238,906	\$ 8,477,131
Operating Grants and Contributions	83,650,278	8,318,950	-	-	83,650,278	8,318,950
<b>General Revenues:</b>						
Property Taxes	425,224,864	411,655,740	-	-	425,224,864	411,655,740
State Grants and Other Grants	68,724,464	20,397,035	-	-	68,724,464	20,397,035
Interest	8,950,494	3,369,856	57,790	22,012	9,008,284	3,391,868
Other	2,153,586	2,106,092	-	-	2,153,586	2,106,092
<b>Total Revenues</b>	<b>594,250,318</b>	<b>450,816,507</b>	<b>3,750,064</b>	<b>3,530,309</b>	<b>598,000,382</b>	<b>454,346,816</b>
<b>Expenses</b>						
Instructional	234,722,680	149,201,257	-	-	234,722,680	149,201,257
Instructional Resources and Media	3,897,560	2,461,202	-	-	3,897,560	2,461,202
Curriculum/Staff Development	10,395,067	7,657,095	-	-	10,395,067	7,657,095
Instructional Leadership	6,941,358	4,733,573	-	-	6,941,358	4,733,573
School Leadership	21,475,508	13,637,365	-	-	21,475,508	13,637,365
Guidance and Counseling Services	16,858,291	10,954,681	-	-	16,858,291	10,954,681
Social Work Services	143,425	137,913	-	-	143,425	137,913
Health Services	4,177,526	2,566,683	-	-	4,177,526	2,566,683
Student (Pupil) Transportation	10,801,503	7,725,356	-	-	10,801,503	7,725,356
Child Nutrition	17,601,854	13,974,314	-	-	17,601,854	13,974,314
Cocurricular/Extracurricular	8,229,674	6,477,887	-	-	8,229,674	6,477,887
General Administration	12,886,945	7,215,439	-	-	12,886,945	7,215,439
Plant Maintenance and Operations	31,416,621	27,151,071	-	-	31,416,621	27,151,071
Security and Monitoring Services	4,768,930	2,672,749	-	-	4,768,930	2,672,749
Data Processing	10,542,995	7,151,303	-	-	10,542,995	7,151,303
Community Services	2,393,819	1,162,671	-	-	2,393,819	1,162,671
Interest and Fiscal Charges	25,400,696	25,611,229	-	-	25,400,696	25,611,229
Facilities Acquisition and Construction	10,896,450	2,337,289	-	-	10,896,450	2,337,289
Purchase of WADA	84,582,729	75,118,321	-	-	84,582,729	75,118,321
Payments to Districts of SSAs	463,835	475,908	-	-	463,835	475,908
Other Intergovernmental Charges	3,195,108	3,058,519	-	-	3,195,108	3,058,519
Other Business-Type Activities	-	-	3,099,982	3,089,074	3,099,982	3,089,074
<b>Total Expenses</b>	<b>521,792,574</b>	<b>371,481,825</b>	<b>3,099,982</b>	<b>3,089,074</b>	<b>524,892,556</b>	<b>374,570,899</b>
Excess (deficiency) before transfers	72,457,744	79,334,682	650,082	441,235	73,107,826	79,775,917
Transfers	3,895	108,881	(3,895)	(108,881)	-	-
Increase (Decrease) in Net Position	72,461,639	79,443,563	646,187	332,354	73,107,826	79,775,917
<b>Beginning Net Position</b>	<b>51,815,254</b>	<b>(27,628,309)</b>	<b>2,192,776</b>	<b>1,860,422</b>	<b>54,008,030</b>	<b>(25,767,887)</b>
<b>Ending Net Position</b>	<b>\$ 124,276,893</b>	<b>\$ 51,815,254</b>	<b>\$ 2,838,963</b>	<b>\$ 2,192,776</b>	<b>\$ 127,115,856</b>	<b>\$ 54,008,030</b>

Revenues for the District's governmental activities increased year over year overall by \$143,433,811 for the fiscal year ended June 30, 2019. Recall that in fiscal year 2018, operating grants and contributions included negative OPEB revenue related to the implementation of GASB No. 75.

Expenses for the District's governmental activities increased year over year overall \$150,310,749 for the fiscal year ended June 30, 2019. Expenses in fiscal year 2018, included a negative OPEB expense which reduced expenses significantly and the same did not occur in fiscal year 2019.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The District's combined property tax rate remained at \$1.3945 per \$100 of assessed value. This generated tax revenues of \$425.2 million in fiscal year 2019, an increase of \$13.6 million over the 2018 fiscal year. However, the District paid \$84.6 million in recapture back to the State.

Total cost of governmental activities includes depreciation of \$27.3 million. Capital outlay of \$17.7 million is not included in the above cost of governmental activities. In the government-wide financial statements, capital outlay is shown as an increase in the capital assets reported on the Statement of Net Position and depreciation expense is reported in the Statement of Activities in order to spread the recognition of the cost of capital assets over their estimated useful lives.

Net position of the District's business-type activities increased \$0.6 million in fiscal year 2019.

**Financial Analysis of the District's Funds**

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

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 government's net resources available for spending at the end of the fiscal year.

At the end of fiscal year June 30, 2019 the District's governmental funds reported:

Combined ending fund balances were \$328,765,843, an increase of \$22,440,083 from the fiscal year ended June 30, 2018. An increase of \$46,791,936 in general fund and (\$24,390,032) decrease in the capital projects fund were the two most significant changes. Fiscal year 2019 construction projects resulted in fund balance decrease in the capital projects fund.

- \$114,995,420 or 35% of the combined ending fund balance constitutes unassigned fund balance. The remainder of fund balance is not available because it is nonspendable, restricted, committed or assigned as follows:

- (1) Inventory \$891,111
- (2) Prepaid items \$1,967,689
- (3) Food service \$4,698,881, excluding #2
- (4) Capital projects \$146,502,610, excludes #2
- (5) Debt service \$36,598,724
- (6) Special revenue \$9,509,463
- (7) Campus activity \$1,396,610, excludes #2
- (8) Capital expenditures for equipment \$1,389,563
- (9) Compensated absences (retirement payoff) \$963,881
- (10) Subsequent year expenditures \$9,851,891

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$114,995,420 while the total fund balance was \$129,889,226.

During fiscal year 2019 the fund balance of the general fund increased by \$46,791,936.

The District budgeted a \$2,939,260 decrease in fund balance. Budgeted expenditures within each functional spending category are a cap not to be exceeded. Accordingly actual expenditure and actual use of fund balance will be less than budgeted. A significant increase in State revenue of \$32 million related to Hurricane Harvey reimbursements was the primary reason for increase to fund balance for General Fund.

At June 30, 2019 the debt service fund had a total fund balance of \$36,598,724 all of which is restricted for the payment of debt. The net decrease in the fund balance during fiscal year 2019 in the debt service fund was (\$378,224) as proceeds were matched to debt service expenditures.

The special revenue fund is used to account for all financial resources restricted to, or committed for, specific purposes by a grantor. The fund balance of the special revenue fund was \$15,727,799 on June 30, 2019, an increase of \$416,403 from June 30, 2018. The increase in fund balance was primarily in food service due to increase in revenues from food purchases.

The capital projects fund is used to account for financial resources to be used for the construction and renovation of District facilities. The District is in the initial stages of a 10-year bond program authorized by voters in November 2017. The fund balance of the District's capital projects fund was \$146,550,094 on June 30, 2019. The capital projects fund began the year with \$170,940,126 in fund balance. A fund balance decrease of (\$24,390,032) was due to ongoing construction project expenditures. Fund balance in the capital projects fund is restricted for future expenditure on capital projects.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS** *(continued)*

**General Fund Budgetary Highlights**

Over the course of the year, District administration recommended, and the Board of Trustees approved, several revisions to budgeted revenue and appropriations. Revisions to the revenue budget are necessary due to changes in estimates for local and state revenue based on updated information concerning student attendance and tax collections. Revisions to appropriations are necessary due to staffing adjustments based on actual enrollment, changes in spending needs over the course of the year and other occurrences subsequent to the Board of Trustees' approval of the original budget.

As a high property wealth Chapter 41 district in fiscal year 2019, the District is required to send recapture money back to the state. Recapture is locally assessed and collected tax dollars sent to the state to satisfy statewide school funding equalization. Revenue is based on Target Revenue calculated as Weighted Average Daily Attendance (WADA) times a dollar amount. For 2018-19 the amount is \$5,724 per WADA.

The District's major budget amendments during the year are summarized as follows:

- The revenue budget increased by \$19.9 million during the year.
  - State funding increased by \$14.7 million primarily due to prior year funding adjustments.
  - Reimbursement for providing Medicaid eligible services to students increased \$3.3 million due to an accelerated payment schedule.
  - Various other budget amendments combined increased revenue by \$1.9 million.
  
- The expenditure budget increased by \$8.4 million during the year.
  - Roll forward of prior year purchase orders and other critical items including safety and security items increased budget by \$3.9 million.
  - Contract services budget increased by \$3.5 million.
  - Various other budget amendments combined resulted in a net increase of \$1.0 million.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Capital Asset and Debt Administration**

***Capital Assets***

At the end of fiscal year 2019, the District had \$700.1 million (net of accumulated depreciation of \$325.0 million) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

**Table III - Capital Asset Summary**

	Governmental Activities		Business- Type Activities	
	2019	2018	2019	2018
Land	\$ 23,797,029	\$ 23,427,209	\$ -	\$ -
Buildings and Improvements	644,326,767	661,312,778	-	-
Furniture and Equipment	4,176,539	4,991,346	12,661	19,030
Vehicles	14,517,245	13,106,226	102,312	112,148
Construction in Progress	14,829,021	6,757,612	-	-
<b>Total Capital Assets,</b>				
<b>Net of Depreciation</b>	<u>\$ 701,646,601</u>	<u>\$ 709,595,171</u>	<u>\$ 114,973</u>	<u>\$ 131,178</u>

Additional information on the District's capital assets can be found in Note 9 on pages 54 through 56 of this report.

***Debt***

Debt-management policies seek to provide the most favorable climate for District debt projects while upholding the highest rating possible for debt instruments. Management policies include the following points:

- All debt service obligations will be met when due.
- Long-term financing will be restricted to capital projects and purchases of related equipment.
- Long-term bonds will not be issued to finance current operations.
- The District will cooperate and communicate with bond-rating agencies and work toward obtaining the most favorable municipal bond rating possible.
- Outstanding obligations will be reviewed frequently to ensure the most favorable funding structure for the District.
- All necessary information and material regarding the District's financial status will be provided to the appropriate parties.

The ratio of net bonded debt to assessed valuation is a useful indicator of the District's debt position. This data is presented in the schedule "Ratios of Net General Obligation Bonded Debt Outstanding" in the statistical section and reflects a decrease in the ratio of net bonded debt to assessed value to 1.99% as of June 30, 2019 compared to 2.25% as of June 30, 2018.

At year-end, the District had \$675.0 million in bonds outstanding including premiums on bonds at issuance. The District continues to enjoy excellent bond ratings of Aaa by Moody's Investors Service and AAA by Standard & Poor's by virtue of the Permanent School Fund Guarantee Program. The underlying ratings not enhanced by the Permanent School Fund Guarantee Program are Aa1 by Moody's and AA from Standard and Poor's.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

At June 30, 2019, the District had \$752.4 million remaining authorized but unissued bonds.

More detailed information about the District's long-term liabilities is presented in Note 10 to the financial statements on pages 57 through 60 of this report.

**Table IV - District's Outstanding Debt**

	Governmental Activities	
	2019	2018
General Obligation Bonds	\$ 675,008,810	\$ 744,562,827
Capital Lease	214,379	495,272
<b>Total Outstanding Debt</b>	<b>\$ 675,223,189</b>	<b>\$ 745,058,099</b>

**Economic Factors and Next Year's Budgets and Rates**

Economic factors have a significant impact on the District's finances. As of June 2019, the unemployment rate for Harris County was 3.8% while the national rate was 3.7%. Increases in the unemployment rate generally result in a reduction in the District's tax collections. Inflationary trends in the region tend to be consistent with the national consumer price index (CPI) changes. However specific trends have required significant increases in school district expenditures. Ongoing competition to attract and hire highly qualified staff, particularly secondary teachers in selected disciplines, has mandated increases in compensation expenditures as the District attracts and retains qualified personnel. Expenditures for health insurance have increased at a rate higher than the CPI.

The aggregate taxable value of properties within the District increased 5.4% in the fiscal year 2020 budget as compared to fiscal year 2019. Harris County continues to be an economically vibrant area. We believe the District's tax base will, in the long term, continue to grow along with the broader economy.

The District's elected and appointed officials considered many factors when setting the 2020 fiscal year combined property tax rate of \$1.32098 per \$100 of assessed value and the general fund budget. Excluding recapture General Fund expenditures in fiscal year 2020 are budgeted to increase by \$24.0 million from the fiscal year 2019 amended budget. General Fund revenues adjusted for the change in recapture are budgeted to increase \$18.5 million from the fiscal year 2019 amended budget. Budgeted General Fund use of fund balance is \$9.9 million in fiscal year 2020.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Associate Superintendent for Finance, Spring Branch Independent School District, 955 Campbell, Houston, Texas, 77024.

## **BASIC FINANCIAL STATEMENTS**





**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

*Exhibit A-1*

<b>Data Control Codes</b>		<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>				
1110	Cash and temporary investments	\$ 338,375,163	\$ 2,833,216	\$ 341,208,379
1225	Property taxes receivables, net	10,358,732	-	10,358,732
1240	Due from other governments	48,310,642	-	48,310,642
1250	Accrued interest	580,809	-	580,809
1260	Internal balances	(171,904)	171,904	-
1290	Other receivables, net	487,494	1,533	489,027
1300	Inventories	1,156,059	-	1,156,059
1410	Prepaid items	1,967,689	-	1,967,689
	Capital assets not subject to depreciation:			
1510	Land	23,797,029	-	23,797,029
1580	Construction in progress	14,829,021	-	14,829,021
	Capital assets net of depreciation:			
1520	Buildings and improvements, net	644,326,767	-	644,326,767
1530	Furniture and equipment, net	4,176,539	12,661	4,189,200
1540	Vehicles, net	14,517,245	102,312	14,619,557
1910	Long-term investments	9,998,990	-	9,998,990
<b>1000</b>	<b>Total Assets</b>	<b>1,112,710,275</b>	<b>3,121,626</b>	<b>1,115,831,901</b>
<b>Deferred Outflows of Resources</b>				
1700	Deferred loss on refunding	8,238,974	-	8,238,974
1705	Deferred outflows - pension	58,887,765	-	58,887,765
1710	Deferred outflows - other post employment benefits	17,401,531	-	17,401,531
	<b>Total Deferred Outflows of Resources</b>	<b>84,528,270</b>	<b>-</b>	<b>84,528,270</b>
<b>Liabilities</b>				
2110	Accounts payable	8,042,895	5,602	8,048,497
2140	Interest payable	12,061,370	-	12,061,370
2150	Payroll deductions and withholdings	5,536,903	-	5,536,903
2160	Accrued wages payable	26,488,586	257,511	26,746,097
2180	Due to other governments	24,666,686	-	24,666,686
2200	Accrued expenses	6,383,418	-	6,383,418
2300	Unearned revenue	475,474	19,550	495,024
	Noncurrent Liabilities:			
2501	Due within one year	29,753,293	-	29,753,293
2502	Due in more than one year	655,816,465	-	655,816,465
2540	Net pension liability	115,310,682	-	115,310,682
2545	Net other post-employment benefits liability	136,249,530	-	136,249,530
<b>2000</b>	<b>Total Liabilities</b>	<b>1,020,785,302</b>	<b>282,663</b>	<b>1,021,067,965</b>
<b>Deferred Inflows of Resources</b>				
2605	Deferred inflows - pensions	9,090,966	-	9,090,966
2610	Deferred inflows - other post employment benefits	43,085,384	-	43,085,384
	<b>Deferred Inflows of Resources</b>	<b>52,176,350</b>	<b>-</b>	<b>52,176,350</b>
<b>Net Position</b>				
3200	Net investment in capital assets	181,212,480	114,973	181,327,453
	Restricted for:			
3820	Federal and state programs	9,619,799	-	9,619,799
3820	Food service	4,698,881	-	4,698,881
3850	Debt service	26,044,072	-	26,044,072
3900	Unrestricted	(97,298,339)	2,723,990	(94,574,349)
<b>3000</b>	<b>Total net position</b>	<b>\$ 124,276,893</b>	<b>\$ 2,838,963</b>	<b>\$ 127,115,856</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET ACTIVITIES**  
**For the Year Ended June 30, 2019**

**Exhibit B-1**  
**Page 1 of 2**

Data Control Codes	Functions/Programs	Expenses	Program Revenue	
			Charges for Services	Operating Grants and Contributions
	<b>Governmental activities</b>			
11	Instruction	\$ 234,722,680	\$ 2,663,683	\$ 33,269,266
12	Instructional Resources and Media Services	3,897,560	-	407,940
13	Curriculum and Staff Development	10,395,067	-	4,715,515
21	Instructional Leadership	6,941,358	-	1,244,437
23	School Leadership	21,475,508	-	2,149,060
31	Guidance, Counseling, and Evaluation Services	16,858,291	-	3,881,264
32	Social Work Services	143,425	-	42,197
33	Health Services	4,177,526	-	9,033,151
34	Student Transportation	10,801,503	-	2,242,652
35	Food Service	17,601,854	2,136,694	15,382,555
36	Extracurricular Activities	8,229,674	420,087	515,284
41	General Administration	12,886,945	115,000	4,011,757
51	Plant, Maintenance and Operations	31,416,621	138,019	2,140,858
52	Security and Monitoring Services	4,768,930	73,149	432,131
53	Data Processing Services	10,542,995	-	2,312,195
61	Community Services	2,393,819	-	1,302,246
72	Interest on Long-term Debt	24,697,652	-	-
73	Debt Issuance costs and fees	703,044	-	-
81	Facilities Repairs and Maintenance	10,896,450	-	103,935
91	Purchase of WADA	84,582,729	-	-
93	Payments Related to Shared Services Arrangements	463,835	-	463,835
99	Other Intergovernmental Charges	3,195,108	-	-
<b>TG</b>	<b>Total governmental activities</b>	<b>521,792,574</b>	<b>5,546,632</b>	<b>83,650,278</b>
	<b>Business-type activities</b>			
01	Athletic Rentals/Concessions	423,420	778,353	-
03	Employee Childcare	1,369,333	1,517,776	-
04	Community Education	235,839	120,788	-
06	Fine Arts	120,439	124,245	-
07	Facility Rentals	584,159	918,471	-
08	Summer School	331,579	232,173	-
09	Other	35,213	468	-
<b>TB</b>	<b>Total business-type activities</b>	<b>3,099,982</b>	<b>3,692,274</b>	<b>-</b>
<b>TP</b>	<b>Total primary government</b>	<b>\$ 524,892,556</b>	<b>\$ 9,238,906</b>	<b>\$ 83,650,278</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2019

**Exhibit B-1**  
Page 2 of 2

Data Control Codes	Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
		Governmental Activities	Business-type Activities	Total
	<b>Governmental activities</b>			
11	Instruction	\$ (198,789,731)	\$ -	\$ (198,789,731)
12	Instructional Resources and Media Services	(3,489,620)	-	(3,489,620)
13	Curriculum and Staff Development	(5,679,552)	-	(5,679,552)
21	Instructional Leadership	(5,696,921)	-	(5,696,921)
23	School Leadership	(19,326,448)	-	(19,326,448)
31	Guidance, Counseling, and Evaluation Services	(12,977,027)	-	(12,977,027)
32	Social Work Services	(101,228)	-	(101,228)
33	Health Services	4,855,625	-	4,855,625
34	Student Transportation	(8,558,851)	-	(8,558,851)
35	Food Service	(82,605)	-	(82,605)
36	Extracurricular Activities	(7,294,303)	-	(7,294,303)
41	General Administration	(8,760,188)	-	(8,760,188)
51	Plant, Maintenance and Operations	(29,137,744)	-	(29,137,744)
52	Security and Monitoring Services	(4,263,650)	-	(4,263,650)
53	Data Processing Services	(8,230,800)	-	(8,230,800)
61	Community Services	(1,091,573)	-	(1,091,573)
72	Interest on Long-term Debt	(24,697,652)	-	(24,697,652)
73	Debt Issuance costs and fees	(703,044)	-	(703,044)
81	Facilities Repairs and Maintenance	(10,792,515)	-	(10,792,515)
91	Purchase of WADA	(84,582,729)	-	(84,582,729)
93	Payments Related to Shared Services Arrangements	-	-	-
99	Other Intergovernmental Charges	(3,195,108)	-	(3,195,108)
<b>TG</b>	<b>Total governmental activities</b>	<b>(432,595,664)</b>	<b>-</b>	<b>(432,595,664)</b>
	<b>Business-type activities</b>			
01	Athletic Rentals/Concessions	-	354,933	354,933
03	Employee Childcare	-	148,443	148,443
04	Community Education	-	(115,051)	(115,051)
06	Fine Arts	-	3,806	3,806
07	Facility Rentals	-	334,312	334,312
08	Summer School	-	(99,406)	(99,406)
09	Other	-	(34,745)	(34,745)
<b>TB</b>	<b>Total business-type activities</b>	<b>-</b>	<b>592,292</b>	<b>592,292</b>
<b>TP</b>	<b>Total primary government</b>	<b>(432,595,664)</b>	<b>592,292</b>	<b>(432,003,372)</b>
	<b>General revenues</b>			
	<b>Taxes:</b>			
<b>MT</b>	Property taxes, levied for general purposes	333,684,809	-	333,684,809
<b>DT</b>	Property taxes, levied for debt service	91,540,055	-	91,540,055
<b>SF</b>	State-aid formula grants	68,724,464	-	68,724,464
<b>IE</b>	Investment earnings	8,950,494	57,790	9,008,284
<b>MI</b>	Miscellaneous	2,153,586	-	2,153,586
<b>FR</b>	Transfers	3,895	(3,895)	-
<b>TR</b>	<b>Total general revenues, and transfers</b>	<b>505,057,303</b>	<b>53,895</b>	<b>505,111,198</b>
<b>CN</b>	Change in net position	72,461,639	646,187	73,107,826
<b>NB</b>	<b>Net position - beginning, as restated</b>	<b>51,815,254</b>	<b>2,192,776</b>	<b>54,008,030</b>
<b>NE</b>	<b>Net position - ending</b>	<b>\$ 124,276,893</b>	<b>\$ 2,838,963</b>	<b>\$ 127,115,856</b>

See notes to the financial statements.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

*Exhibit C-1*  
*Page 1 of 2*

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>
<b>Assets</b>				
1110	Cash and cash equivalents	\$ 49,019,956	\$ 14,004,315	\$ 20,982,064
1120	Current investments	95,708,456	-	14,975,274
	Receivables:			
1220	Property taxes - delinquent	12,292,951	-	3,083,999
1230	Allowance for uncollectible taxes (credit)	(4,061,204)	-	(957,014)
1240	Receivables from other governments	43,814,976	4,495,666	-
1250	Accrued interest	66,324	1,734	27,369
1260	Due from other funds	314,513	995,052	-
1290	Other receivables	156,466	331,028	-
1300	Inventories	889,351	266,708	-
1410	Prepaid items	1,799,120	121,085	-
1910	Long-term investments	-	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 200,000,909</b>	<b>\$ 20,215,588</b>	<b>\$ 38,111,692</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
<b>Liabilities:</b>				
2110	Accounts payable	\$ 2,228,664	\$ 897,523	\$ 6,250
2150	Payroll deductions and withholdings	5,439,237	97,666	-
2160	Accrued wages payable	24,272,115	2,215,961	-
2170	Due to other funds	263,485	1,214,058	-
2180	Payable to other governments	24,666,686	-	-
2200	Accrued expenditures	6,383,418	-	-
2300	Unearned revenue	412,893	62,581	-
<b>2000</b>	<b>Total Liabilities</b>	<b>63,666,498</b>	<b>4,487,789</b>	<b>6,250</b>
<b>Deferred Inflows of Resources</b>				
2600	Unavailable revenue - property taxes	6,445,185	-	1,506,718
	<b>Deferred Inflows of Resources</b>	<b>6,445,185</b>	<b>-</b>	<b>1,506,718</b>
<b>Fund Balance:</b>				
<b>Nonspendable:</b>				
3410	Inventories	889,351	1,760	-
3430	Prepaid items	1,799,120	121,085	-
<b>Restricted:</b>				
3450	Grant funds	-	4,698,881	-
3470	Capital acquisitions and obligations	-	-	-
3480	Debt service	-	-	36,598,724
3490	Local funds	-	9,509,463	-
<b>Committed:</b>				
3545	Other	-	1,396,610	-
<b>Assigned:</b>				
3570	Capital expenditures for equipment	1,389,563	-	-
3590	Other	10,815,772	-	-
<b>Unassigned:</b>				
3600	Unassigned	114,995,420	-	-
<b>3000</b>	<b>Total fund balances</b>	<b>129,889,226</b>	<b>15,727,799</b>	<b>36,598,724</b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 200,000,909</b>	<b>\$ 20,215,588</b>	<b>\$ 38,111,692</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

*Exhibit C-1*  
*Page 2 of 2*

<b>Data Control Codes</b>		<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
1110	Cash and cash equivalents	\$ 23,093,200	\$ 107,099,535
1120	Current investments	117,792,884	228,476,614
	Receivables:		
1220	Property taxes - delinquent	-	15,376,950
1230	Allowance for uncollectible taxes (credit)	-	(5,018,218)
1240	Receivables from other governments	-	48,310,642
1250	Accrued interest	485,382	580,809
1260	Due from other funds	-	1,309,565
1290	Other receivables	-	487,494
1300	Inventories	-	1,156,059
1410	Prepaid items	47,484	1,967,689
1910	Long-term investments	9,998,990	9,998,990
<b>1000</b>	<b>Total Assets</b>	<b>\$ 151,417,940</b>	<b>\$ 409,746,129</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities:</b>			
2110	Accounts payable	\$ 4,844,901	\$ 7,977,338
2150	Payroll deductions and withholdings	-	5,536,903
2160	Accrued wages payable	19,019	26,507,095
2170	Due to other funds	3,926	1,481,469
2180	Payable to other governments	-	24,666,686
2200	Accrued expenditures	-	6,383,418
2300	Unearned revenue	-	475,474
<b>2000</b>	<b>Total Liabilities</b>	<b>4,867,846</b>	<b>73,028,383</b>
<b>Deferred Inflows of Resources</b>			
2600	Unavailable revenue - property taxes	-	7,951,903
	<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>7,951,903</b>
<b>Fund Balance:</b>			
<b>Nonspendable:</b>			
3410	Inventories	-	891,111
3430	Prepaid items	47,484	1,967,689
<b>Restricted:</b>			
3450	Grant funds	-	4,698,881
3470	Capital acquisitions and obligations	146,502,610	146,502,610
3480	Debt service	-	36,598,724
3490	Local funds	-	9,509,463
<b>Committed:</b>			
3545	Other	-	1,396,610
<b>Assigned:</b>			
3570	Capital expenditures for equipment	-	1,389,563
3590	Other	-	10,815,772
<b>Unassigned:</b>			
3600	Unassigned	-	114,995,420
<b>3000</b>	<b>Total fund balances</b>	<b>146,550,094</b>	<b>328,765,843</b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 151,417,940</b>	<b>\$ 409,746,129</b>



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET POSITION**  
*June 30, 2019*

*Exhibit C-2*

<b>Data Control Codes</b>		
<b>Total fund balance, governmental funds</b>		<b>\$ 328,765,843</b>
Amounts reported for governmental activities in the statement of Net position are different because:		
<b>1</b>	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	701,646,601
<b>2</b>	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).	7,951,903
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:		
<b>3</b>	General obligation bonds	(622,770,000)
<b>4</b>	Premiums on issuance	(52,238,810)
<b>5</b>	Capital leases	(214,379)
<b>6</b>	Accrued compensated absences	(10,346,569)
<b>7</b>	Accrued interest payable	(12,061,370)
<b>8</b>	Net pension liability	(115,310,682)
<b>9</b>	Net other post employment liability	(136,249,530)
<b>10</b>	Deferred loss on refunding	8,238,974
<b>11</b>	Deferred outflow related to TRS pension	58,887,765
<b>12</b>	Deferred outflow related to TRS OPEB	17,401,531
<b>13</b>	Deferred inflow related to TRS pension	(9,090,966)
<b>14</b>	Deferred inflow related to TRS OPEB	(43,085,384)
<b>15</b>	Addition of Internal Service fund net position	<u>2,751,966</u>
<b>19</b>	<b>Total net position - governmental activities (See B-1)</b>	<b><u>\$ 124,276,893</u></b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2019**

**Exhibit C-3**  
**Page 1 of 2**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 340,621,304	\$ 8,274,710	\$ 92,235,927
5800	State program revenues	83,069,772	2,187,415	581,159
5900	Federal program revenues	11,889,686	39,808,654	-
<b>5020</b>	<b>Total revenues</b>	<u>435,580,762</u>	<u>50,270,779</u>	<u>92,817,086</u>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	180,136,844	17,758,712	-
0012	Instruction resources and media services	3,331,957	340,320	-
0013	Curriculum and instructional staff development	5,660,366	4,223,972	-
0021	Instructional leadership	5,829,634	826,535	-
0023	School leadership	19,882,670	337,191	-
0031	Guidance, counseling and evaluation services	13,060,668	2,951,235	-
0032	Social work services	108,304	26,796	-
0033	Health services	3,787,083	131,146	-
0034	Student transportation	9,087,592	855,295	-
0035	Food services	26,306	16,792,975	-
0036	Extracurricular activities	6,051,450	165,215	-
0041	General administration	12,425,527	-	-
0051	Facilities maintenance and operations	29,557,215	867,085	-
0052	Security and monitoring services	4,662,902	93,139	-
0053	Data processing services	7,318,960	1,515,798	-
0061	Community services	1,210,042	1,010,399	-
<b>Debt service:</b>				
0071	Principal on long-term debt	280,893	-	61,615,000
0072	Interest on long-term debt	7,807	-	31,457,429
0073	Bond issuance costs and fees	-	-	122,881
<b>Capital outlay:</b>				
0081	Capital outlay	62,071	14,708	-
<b>Intergovernmental:</b>				
0091	Contracted instructional services	84,582,729	-	-
0093	Payments related to shared services arrangements	-	463,835	-
0099	Other intergovernmental charges	3,195,108	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>390,266,128</u>	<u>48,374,356</u>	<u>93,195,310</u>
1100	Excess (deficiency) of revenues over expenditures	<u>45,314,634</u>	<u>1,896,423</u>	<u>(378,224)</u>
<b>Other Financing Sources (Uses)</b>				
7911	Refunding bonds issued	-	-	32,295,000
7912	Sale of real or personal property	161,592	11,651	-
7915	Transfers in	1,355,319	77,470	-
8911	Transfers out	(39,609)	(1,569,141)	-
8949	Payment to Bond Refunding Escrow Agent	-	-	(32,295,000)
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>1,477,302</u>	<u>(1,480,020)</u>	<u>-</u>
1200	Net change in fund balances	46,791,936	416,403	(378,224)
<b>0100</b>	<b>Fund Balances - Beginning</b>	<u>83,097,290</u>	<u>15,311,396</u>	<u>36,976,948</u>
<b>3000</b>	<b>Fund Balances - Ending</b>	<u>\$ 129,889,226</u>	<u>\$ 15,727,799</u>	<u>\$ 36,598,724</u>



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2019**

*Exhibit C-3*  
*Page 2 of 2*

<b>Data Control Codes</b>		<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 4,151,672	\$ 445,283,613
5800	State program revenues	-	85,838,346
5900	Federal program revenues	-	51,698,340
<b>5020</b>	<b>Total revenues</b>	<u>4,151,672</u>	<u>582,820,299</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011	Instruction	1,141,559	199,037,115
0012	Instruction resources and media services	-	3,672,277
0013	Curriculum and instructional staff development	-	9,884,338
0021	Instructional leadership	-	6,656,169
0023	School leadership	-	20,219,861
0031	Guidance, counseling and evaluation services	-	16,011,903
0032	Social work services	-	135,100
0033	Health services	-	3,918,229
0034	Student transportation	1,630,628	11,573,515
0035	Food services	-	16,819,281
0036	Extracurricular activities	35,485	6,252,150
0041	General administration	-	12,425,527
0051	Facilities maintenance and operations	63,164	30,487,464
0052	Security and monitoring services	-	4,756,041
0053	Data processing services	-	8,834,758
0061	Community services	-	2,220,441
<b>Debt service:</b>			
0071	Principal on long-term debt	-	61,895,893
0072	Interest on long-term debt	-	31,465,236
0073	Bond issuance costs and fees	11,250	134,131
<b>Capital outlay:</b>			
0081	Capital outlay	25,839,474	25,916,253
<b>Intergovernmental:</b>			
0091	Contracted instructional services	-	84,582,729
0093	Payments related to shared services arrangements	-	463,835
0099	Other intergovernmental charges	-	3,195,108
<b>6030</b>	<b>Total Expenditures</b>	<u>28,721,560</u>	<u>560,557,354</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(24,569,888)</u>	<u>22,262,945</u>
<b>Other Financing Sources (Uses)</b>			
7911	Refunding bonds issued	-	32,295,000
7912	Sale of real or personal property	-	173,243
7915	Transfers in	179,856	1,612,645
8911	Transfers out	-	(1,608,750)
8949	Payment to Bond Refunding Escrow Agent	-	(32,295,000)
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>179,856</u>	<u>177,138</u>
1200	Net change in fund balances	(24,390,032)	22,440,083
<b>0100</b>	<b>Fund Balances - Beginning</b>	<u>170,940,126</u>	<u>306,325,760</u>
<b>3000</b>	<b>Fund Balances - Ending</b>	<u>\$ 146,550,094</u>	<u>\$ 328,765,843</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

**Exhibit C-4**

<b>Data Control Codes</b>		
	<b>Net change in fund balances - total governmental funds (from C-3)</b>	<b>\$ 22,440,083</b>
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
<b>1</b>	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation. Capital expenditures reclassified to assets.	19,385,029
	Depreciation expense charged to each function in the Statement of Activities	(27,268,554)
<b>2</b>	Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain (loss) on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	(52,065)
<b>3</b>	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	665,908
<b>4</b>	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	61,615,000
<b>5</b>	Repayment of bond principal for remarketing of bonds is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	132,345,000
<b>6</b>	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(132,345,000)
<b>7</b>	Repayment of capital lease	280,893
	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:	
<b>8</b>	Increase in interest payable not recognized in fund statements	(1,048,552)
<b>9</b>	Increase in long-term portion of accrued compensated absences	(293,467)
<b>10</b>	Amortization of bond premiums	7,939,017
<b>11</b>	Amortization on deferred loss on refunding	(691,794)
<b>12</b>	Deferred outflow of resources - TRS pension	7,451,266
<b>13</b>	Deferred outflow of resources - TRS OPEB	1,984,573
<b>14</b>	Deferred inflow of resources - TRS pension expense for the pension plan measurement year	(15,779,429)
<b>15</b>	Deferred inflow of resources - TRS OPEB expense for the pension plan measurement year	(4,182,199)
<b>16</b>	Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds.	15,930
	<b>Change in net position of governmental activities</b>	<b>\$ 72,461,639</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2019**

*Exhibit D-1*

<b>Data Control Codes</b>		<b>Business-type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
	<b>Assets</b>		
	<b>Current Assets:</b>		
1110	Cash and cash equivalents	\$ 2,833,216	\$ 2,799,014
	<b>Receivables:</b>		
1260	Due from other funds	220,543	-
1290	Other receivables	1,533	-
	<b>Total current assets</b>	<u>3,055,292</u>	<u>2,799,014</u>
	<b>Land, Buildings and Equipment:</b>		
1530	Furniture and equipment	118,905	44,350
1531	Vehicles	293,565	147,500
1572	Accumulated depreciation - vehicles	(191,253)	(147,500)
1573	Accumulated depreciation - furniture and equipment	(106,244)	(44,350)
	<b>Total non-current assets</b>	<u>114,973</u>	<u>-</u>
<b>1000</b>	<b>Total Assets</b>	<u>3,170,265</u>	<u>2,799,014</u>
	<b>Liabilities</b>		
	Current Liabilities:		
2110	Accounts payable	5,602	46,979
2160	Accrued wages payable	257,511	69
2170	Due to other funds	48,639	-
2300	Unearned revenue	19,550	-
	<b>Total current liabilities</b>	<u>331,302</u>	<u>47,048</u>
<b>2000</b>	<b>Total Liabilities</b>	<u>331,302</u>	<u>47,048</u>
	<b>Net Position</b>		
3200	Investment in capital assets	114,973	-
3900	Unrestricted net position	2,723,990	2,751,966
<b>3000</b>	<b>Total Net Position</b>	<u>\$ 2,838,963</u>	<u>\$ 2,751,966</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the Year Ended June 30, 2019*

*Exhibit D-2*

<b>Data Control Codes</b>		<b>Business-type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
	<b>Operating Revenues</b>		
5700	Local and intermediate sources	\$ 3,692,274	\$ 459
5754	Interfund services provided and used	-	1,148,647
<b>5020</b>	<b>Total Operating Revenues</b>	<b>3,692,274</b>	<b>1,149,106</b>
	<b>Operating Expenses</b>		
6100	Payroll costs	2,183,647	226,845
6200	Purchased and contracted services	194,566	33,255
6300	Supplies and materials	238,341	93,778
6400	Claims expense and other operating expenses	449,168	766,318
6449	Depreciation	34,260	12,980
<b>6030</b>	<b>Total Operating Expenses</b>	<b>3,099,982</b>	<b>1,133,176</b>
1200	Operating Income	592,292	15,930
	<b>Non-Operating Revenues</b>		
7020	Investment earnings	57,790	-
	<b>Total Non-Operating Revenues</b>	<b>57,790</b>	<b>-</b>
	Income before Transfers	650,082	15,930
7915	Transfers in	11,609	-
8911	Transfers out	(15,504)	-
	<b>Total Transfers</b>	<b>(3,895)</b>	<b>-</b>
1200	Change in Net Position	646,187	15,930
	<b>Net Position</b>		
<b>0100</b>	<b>Total Net Position - Beginning</b>	<b>2,192,776</b>	<b>2,736,036</b>
<b>3300</b>	<b>Total Net Position - Ending</b>	<b>\$ 2,838,963</b>	<b>\$ 2,751,966</b>

*See Notes to the Basic Financial Statements.*

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2019**

*Exhibit D-3*

	<b>Business-type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 3,505,271	\$ -
Receipts from interfund charges for insurance services	-	1,149,106
Payments to suppliers for goods and services	(890,676)	(919,800)
Payments to employees	(2,229,984)	(226,821)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>384,611</b>	<b>2,485</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Advances from other funds	11,609	-
Advances to other funds	(15,504)	-
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>(3,895)</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition of capital assets	(18,055)	-
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(18,055)</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>		
Interest on investments	57,790	-
<b>Net Cash Provided by Investing Activities</b>	<b>57,790</b>	<b>-</b>
Net Increase in Cash and Cash Equivalents	420,451	2,485
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>2,412,765</b>	<b>2,796,529</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 2,833,216</b>	<b>\$ 2,799,014</b>
<b>Reconciliation to Balance Sheet:</b>		
Cash	\$ 2,833,216	\$ 2,799,014
Cash and Cash Equivalents per Balance Sheet	\$ 2,833,216	\$ 2,799,014
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	\$ 592,292	\$ 15,930
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>		
Depreciation	34,260	12,980
<b>Change in Assets and Liabilities:</b>		
Decrease (increase) in Interfund Receivables	(220,543)	-
Decrease (increase) in Receivable	113,464	-
Decrease (increase) in Prepaid Items	132	-
Increase (decrease) in Accounts Payable	4,020	(26,449)
Increase (decrease) in Accrued Wages Payable	(46,337)	24
Increase (decrease) in Interfund Payables	(12,621)	-
Increase (decrease) in Due to Others	(36,146)	-
Increase (decrease) in Unearned Revenue	(43,910)	-
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 384,611</b>	<b>\$ 2,485</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**
*Exhibit E-1*
**STATEMENT OF FIDUCIARY NET POSITION**
*June 30, 2019*

<b>Data Control Codes</b>		<b>Private Purpose Trust Fund</b>	<b>Agency Funds</b>
	<b>Assets</b>		
1110	Cash and cash equivalents	\$ 230,929	\$ 3,127,410
1290	Other receivables	471	17,741
1410	Prepaid items	-	1,690
<b>1000</b>	<b>Total Assets</b>	<u>231,400</u>	<u>\$ 3,129,954</u>
	<b>Liabilities</b>		
2110	Accounts payable	2,000	\$ 62,991
2150	Payroll deductions and withholding	-	328,654
2160	Accrued Wages Payable	-	2,555
2190	Due to others	-	2,740,510
<b>2000</b>	<b>Total Liabilities</b>	<u>2,000</u>	<u>\$ 3,129,954</u>
	<b>Net Position</b>		
3800	Restricted - other	<u>\$ 229,400</u>	

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
*For the Year Ended June 30, 2019*

*Exhibit E-2*

	<b>Private Purpose Trust Fund</b>
<b>Additions</b>	
Gifts and contributions	\$ 9,471
Earnings on investments	5,355
<b>Total Additions</b>	<u>14,826</u>
<b>Deductions</b>	
Community Service	<u>17,185</u>
<b>Total Deductions</b>	<u>17,185</u>
Change in net position	(2,359)
<b>Net position - Beginning of Year</b>	<u>231,759</u>
<b>Net position - End of Year</b>	<u><u>\$ 229,400</u></u>





**Note 1 - Summary of Significant Accounting Policies**

The Spring Branch 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 U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement on Auditing Standards No. 69*, as amended by *Statement on Auditing Standards No. 's 91 and 93* of the American Institute of Certified Public Accountants; and it complies with the most recent requirements of the Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide" or FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

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

**A. Reporting Entity**

The District is considered an independent entity for financial reporting purposes and is considered a primary government. The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the GASB in its Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*. The District is not financially accountable for any other organizations; therefore, no component units are included within the reporting entity. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding entities.

As required by U.S. 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. The District has implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District receives support from various Parent Teacher Organizations (PTO), booster clubs and foundation organizations. None of these organizations meet the criteria specified by GASB No. 39 to be included in the District's financial statements. Therefore, there are no component units included within the 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 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.

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Spring Branch Independent School District operating activities and activities other than the District's fiduciary (Agency-type) activities. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. The District's business-type activities rely to a significant extent on fees and charges for support.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of direct costs. The "Charges for Services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include school lunch charges, etc. The "Operating Grants and Contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act (ESEA). If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Property taxes are considered general revenues.

Interfund activities between governmental funds and proprietary funds appear as "Due To/Due From" on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements except for internal services provided. Interfund activities between governmental funds and the enterprise fund remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers all governmental and enterprise funds to be major and reports their financial condition and results of operations in a separate column.

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources, and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available. It recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due.

The expenditures are recognized for compensated absences and claims and judgments when amounts are due and payable. The District considers all revenues available if they are collectible within sixty days after year-end.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

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

Grant revenues are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Private Purpose Trust Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first when appropriate, and then unrestricted resources as they are needed.

**D. Fund Accounting**

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

**Governmental Funds:**

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for all financial resources restricted to, or designated for, specific purposes by a grantor. Specifically, this type of fund is used to account for the District's food service program, including local and federal revenue sources, for federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods and other revenue specific programs. Project accounting is employed to maintain integrity for the various sources of revenues. Resources accounted for in these programs are awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Fund Accounting (continued)**

**Debt Service Fund** - The Debt Service Fund is used to account for the payment of interest and principal on all bonds of the District. The primary sources of revenue for debt service is local property taxes.

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

**Proprietary Funds:**

Proprietary funds distinguish operating revenues and expenses from nonoperating 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.

**Enterprise Fund** - The Enterprise fund is used to account for revenues and expenses related to the District's tuition/fee-based self-sustaining programs such as Employee Child Care, Adult Education and Driver's Education. The District accounts for revenues and expenses related to services provided to parties inside the District. Revenues are received based on fees charged for services. Expenses include payments to employees and charges incurred in administering the programs.

**Internal Service Fund** - The district's internal service fund is used to account for the operations of the District's partially self-funded workers' compensation plan, which is supported by employer contributions. Expenses include plan benefit payments to employees and charges incurred in administering the plan.

**Fiduciary Funds:**

**Private Purpose Trust Funds** - Funds set up for handling specific scholarship money received by the District.

**Agency Funds** - The Agency Funds are used to account for activities of student groups, and the employee's flex plan. These funds have no equity; assets are equal to liabilities and do not include revenues and expenditures for general operations of the District. The agency fund accounts for resources held in a custodial capacity by the District, and consists of funds that are property of students and others and cannot be used by the District in operations.

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

**1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, money markets, balances in private-managed public funds investment pools (TexPool and TexSTAR), and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the Statement of Cash Flows, the Proprietary Fund Types consider temporary investments, with maturity of three months or less when purchased, to be cash equivalents. For cash management purposes, the District transfers balances to either a money market mutual fund or an externally pooled investment account. The cash is transferred back to the District as needed.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**2. Investments**

Investments consist largely of commercial paper, U.S. government agency securities, and government investment pools. The District's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. Investments having a maturity of three months or less are reported as cash and cash equivalents.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

The three level of fair value hierarchy that describes the inputs that are used to measure assets and liabilities are:

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. The District estimates the fair value of the investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Market values are provided by Hilltop Securities Asset Management, LLC (HSAM). HSAM's source for pricing government securities (Treasuries and agencies) and most commercial paper is SVC, a subsidiary of SS&C and an information aggregator. SVC uses a number of sources for their pricing data, with most government securities and commercial paper pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service, which is the largest source provider of fixed income pricing. Interactive Data's evaluations are based on market data. Interactive Data utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information. Because many fixed income securities do not trade on a daily basis, Interactive Data's evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, to prepare evaluations. SVC and/or IDC provide some, but not all, of the commercial paper (CP) pricing, while HSAM estimates other CP prices based on comparable market offers of similar issuers with comparable credit ratings and maturity dates. All pricing and market values are based on Level 2 inputs.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**3. Short-Term Interfund Receivables/Payables**

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as “due from other funds” or “due to other funds” on the combined fund balance sheets.

**4. Inventories and prepaid items**

Inventories consisting of supplies and materials are stated at first-in, first-out method and they include consumable transportation, instructional, food consumables and various other supplies. Inventories of governmental funds are valued at cost and expenditures are recorded when the supplies and materials are used or consumed (consumption method) rather than when purchased. Inventories of food commodities are recorded at fair market supplied by the Texas Department of Human Services on the date received. Commodity inventory are recorded at fair values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the State and recorded as inventory and revenue when received in the government funds. A portion of fund balance is non-spendable to reflect minimum inventory quantities considered necessary for the District’s continuing operations, generally in an amount equal to inventory values on hand at the end of the year.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**5. Capital Assets**

Capital Assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Costs of the Facilities Acquisition and Construction function that relate to overall planning of District facilities, managing overall District assets and overall construction projects are treated as period costs and are not capitalized unless related to specific assets. Donated capital assets are recorded at acquisition value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed. Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	50
Buildings	40
Building Improvements	15 - 40
Temporary Buildings	40
Buses	15
Vehicles	10
Furniture, Fixtures and Equipment	5

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**6. Deferred Outflow/Inflows of Resources**

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

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

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**6. Deferred Outflow/Inflows of Resources (continued)**

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

- Deferred inflows of resources for unavailable revenues – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow or resources in the period that the amounts become available.
- Deferred inflows of resources for pension – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred outflows of resources for post-employment benefits – Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to postemployment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on postemployment plan investments will be amortized over a closed five year period. The remaining postemployment related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

**7. Long-Term Obligations**

- In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.
- Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.
- 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.



**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**8. Transactions Between Funds**

Transactions which constitute reimbursements to a fund for expenditures or expenses initially made from that fund, which are properly attributable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expenses in the fund that is reimbursed.

Other legally authorized transfers are treated as operating transfers and are included in the results of operations of the governmental funds.

**9. Compensated Absences - Accumulated Vacation Pay and Sick Leave**

The District maintains a policy allowing employees meeting established requirements to be compensated for unused sick leave at retirement. The estimated liability for accumulated sick leave is reported in the government-wide statement of net position for the portion that is not currently payable from available financial resources at year-end and is accounted for as an assigned fund balance in the governmental funds-general fund. Annual vacation time is granted to full-time employees assigned to the auxiliary salary schedule in positions normally requiring 12 months of service and non-duty days are allowed for certain employees on a 223 and 230 day work calendar. No more than 30 days may be accumulated.

**10. Pensions**

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

**11. Other Post-Employment Accounting Policies**

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

**12. Fund Equity**

Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," provides more defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent.

The following 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, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**12. Fund Equity (continued)**

**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. In the Special Revenue Fund the District has committed 100 percent of *Campus Activity* related funds.

**Assigned fund balance** - Amounts the District intends to use for a specific purpose. Assignment can be expressed by the District's Board of Trustees. For detail discussion on assigned fund balance as of June 30, 2019, see Note 12.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. The District has not adopted a policy stating which fund balance category is spent first when committed, assigned or unassigned fund balances are available. By default, the District will consider amounts to have been spent first out of committed funds, then assigned and finally unassigned funds.

The Board passed a resolution stating the District will strive to maintain an annual fund balance in the general operating fund in which the total fund balance is (except for nonspendable and restricted) 19 percent of the total operating expenditures. The debt service fund balance is targeted at 15 percent of the current year debt service requirements.

**13. Use of Estimates**

The presentation of financial statements, in conformity with U.S. 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.

**14. Data Control Codes**

The data control codes refer to the account code structure prescribed by TEA in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements submitted to them in order to insure accuracy in building a statewide database for policy development and funding plans.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**15. Implementation of New Standards**

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

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 88, *Certain Disclosures related to Debt*. This Statement establishes certain disclosures related debt, including direct borrowing and direct placements.

The following standards have been issued, but have not been implemented as not yet effective.

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes standards of accounting and financial reporting for fiduciary activities.

GASB Statement No. 87, *Leases*. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Majority Equity Interests*. An amendment of GASB Statements No. 14 and No. 61.

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and are not reported as liabilities in the funds. Also, the property taxes receivable which is included as deferred in the fund financial statements are adjusted based on when the tax levy was made and adjusted for uncollectible amounts.

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements (continued)**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The debt payments on retirement of debt are recorded as expenditures for fund basis financial statements but are a reduction of debt in the government wide financial statements. The capital asset additions are expenditures in the fund basis financial statements but are capitalized in the government-wide financial statements. The fund-basis financial statements do not include depreciation expense. The depreciation expense is a deduction to reconcile to the Government-Wide Statement of Activities. New debt issues are treated as sources for fund-basis financial statements, but for the government-wide statements, those amounts are recorded as a liability. Property taxes are adjusted for the accrual basis and the unearned revenues are adjusted based on prior year levies and current year uncollectible amounts.

**Note 3 - Stewardship, Compliance, and Accountability**

**A. Budgetary Data**

The Board of Trustees adopts an annual "appropriated budget" for the General and Debt Service Funds and the Food Service Program included in the Special Revenue Fund. Budgets are prepared using the same method of accounting as for financial reporting. The District is required to present the adopted and final annual amended budgeted revenues and expenditures for all funds and programs that have "appropriated budgets." The General Fund budget report appears in the required supplementary information section where the District compares the final annual amended budget to actual revenues and expenditures. Per TEA regulatory requirements, the Debt Service Fund and the Food Service Program are required to be reported with the annual original budget, amended budget, and actual revenues and expenditures. These schedules are included as Other Supplementary Information at the end of the Financial Section of the School District's Annual Financial and Compliance Report in Exhibit H-1 and H-2.

The Capital Projects Fund budget is prepared on a project-basis based on the proceeds available from bond issues and planned expenditures. Capital Projects Fund equity, which represents unexpended appropriations, is re-appropriated in the subsequent fiscal year's budget until available funds for acquisition and construction of facilities have been utilized. Each major construction contract is approved based on the existing availability of bond proceeds.

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

1. Prior to June 19th, the District prepares a budget for the next succeeding fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

**Note 3 - Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Data (continued)**

3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. During the year, amendments are presented to the Board at its regular meetings. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. All supplemental appropriations must be within limits of available revenues and fund equity.
4. Each budget is controlled by a budget manager at the expenditure function/object level. All budget appropriations lapse at year-end.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities. Since under Texas law, appropriations lapse at the end of each fiscal year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. Outstanding encumbrances as of June 30, 2019, are \$1,519,169 for general fund, \$5,105,802 for special revenue funds, and \$20,889,016 for capital project funds.

**Note 4 - Deposits (Cash) and Investments**

**A. Deposits (Cash)**

Deposits and investment transactions of the District are regulated by State statutes through provisions of Chapter 23, Subchapter E, Sections 23.71 through 23.8 (the School Depository Act) of the Texas Education Code and other Code sections referenced therein and through provisions of the Texas Revised Civil Statutes, Title 47, Articles 2529c, and 2548a regarding security for District funds in depository institutions.

In accordance with applicable statutes, the District has a depository contract with an area bank (Depository). All depository contracts have a term of two years, commencing with the start of every odd-numbered fiscal year. Depository contracts are awarded on the basis of competitive bids received from area banks and can be awarded to more than one bank if the bids received are relatively equal.

The District may place funds with the Depository in interest and non-interest bearing accounts. Statutes and the depository contract require that all funds in the depository institution be fully secured by federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond. The collateral securities must be delivered to the District or placed with an independent trustee institution with safekeeping receipts delivered to the District. In accordance with State statutes pertaining to lawful collateralization of District deposits, safekeeping receipts are issued in the name of the Depository with proper indication that the collateral securities are pledged by the Depository to secure funds of the District.

Acceptable collateral securities include direct obligations of the United States of America (U.S.), bonds of any agency of the U.S. (except Farmers Home Administration Insured Notes), Bonds of the State of Texas or of any county, school district, city, or town of the State of Texas as authorized by the Public Funds Collateral Act (Chapter 2257, Texas Government Code).

**Note 4 - Deposits (Cash) and Investments (continued)**

**A. Deposits (Cash) (continued)**

The District must approve all collateral securities prior to the security being pledged.

All demand and time deposits in the depository bank were entirely covered by federal depository insurance and by acceptable collateral securities held in the District's name by an agent of the District at year-end in accordance with provisions of the depository contract.

At June 30, 2019, the carrying amount of the District's deposits including money market accounts was \$19,308,103 and the bank balance was \$3,080,553. The District deposits in Wells Fargo were secured by \$15,126,067 of pledged collateral and \$250,000 of FDIC coverage.

**B. Investments**

The Board of Trustees of the District has adopted a written investment policy (the "Investment Policy") regarding the investment of its funds as defined in the Public Funds Investment Act (Chapter 2256, Texas Government Code). The Public Funds Investment Act (the "Act") requires an annual audit of investment practices. Audit procedures in this area, conducted as part of the audit, disclosed that in the area of investment practices, management reports, and establishment of appropriate policies, the District was in substantial compliance with the requirements of the Act. Additionally, the investments and investment practices of the District are in compliance with the Boards' investment policies.

The Investment Policy emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity, and addresses the quality and capability of investment personnel. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity of any individual investment and the maximum average dollar weighted maturity allowed for fund groups. In addition, it includes an "Investment Strategy Statement" that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of the State of Texas, or its agencies and instrumentalities;
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States, or its agencies and instrumentalities;
4. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; and have a stated maturity no longer than ten years;
5. Certificates of deposit fully collateralized and guaranteed or insured by the FDIC;
6. Repurchase agreements fully collateralized (102%), pledged to and held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, with a defined termination date, and placed through a primary government securities dealer;

**Note 4 - Deposits (Cash) and Investments (continued)**

**B. Investments (continued)**

7. Commercial paper having a stated maturity of 270 days or fewer and a rating of not less than A-1/P-1 by two nationally recognized credit rating agencies; or a fully secured irrevocable letter of credit from a U.S. bank and one A-1/P-1 credit rating;
8. Money Market Mutual Funds approved by the Board, with its funds only in investments approved by the Investment Policy;
9. Public Funds Investment Pools approved by the Board, with its funds only in investments approved by the Investment Policy.

A summary of the District's cash and investments at June 30, 2019, are shown below.

	<b>Cash and Money Market</b>	<b>External Investment Pools</b>	<b>U.S. Government Securities</b>	<b>Total</b>
<b>Governmental Funds</b>				
General Fund	\$ 3,088,870	\$ 45,931,086	\$ 95,708,456	\$ 144,728,412
Special Revenue Fund	9,529,194	4,475,121	-	14,004,315
Debt Service Fund	785,283	20,196,781	14,975,274	35,957,338
Capital Projects Fund	(31,696)	23,124,896	127,791,874	150,885,074
<b>Total Governmental Funds</b>	<u>13,371,651</u>	<u>93,727,884</u>	<u>238,475,604</u>	<u>345,575,139</u>
Internal Service Fund	<u>2,799,014</u>	<u>-</u>	<u>-</u>	<u>2,799,014</u>
<b>Total Governmental Activities</b>	<u>16,170,665</u>	<u>93,727,884</u>	<u>238,475,604</u>	<u>348,374,153</u>
<b>Business-Type Funds</b>				
Enterprise Fund	<u>288,553</u>	<u>2,544,663</u>	<u>-</u>	<u>2,833,216</u>
<b>Fiduciary Funds</b>	<u>2,848,885</u>	<u>509,454</u>	<u>-</u>	<u>3,358,339</u>
<b>Total Cash and Investments</b>	<u>\$ 19,308,103</u>	<u>\$ 96,782,001</u>	<u>\$238,475,604</u>	<u>\$ 354,565,708</u>

For reporting purposes cash and deposits, along with money market, certificates of deposit and investment pool are all consider by the District as cash equivalents.

The District's investments are registered, or held by the District's agent in the District's name. Therefore, the District is not exposed to custodial credit risk. Custodial Credit risk for investments is the risk that, in event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District's policy requires that a third party custodian hold all securities owned by the District.

The District generally holds all investments to maturity. The District did not purchase any derivative investment products during the fiscal year 2019 nor participate in any reverse repurchase agreements or security lending agreements during the fiscal year 2019.

**Note 4 - Deposits (Cash) and Investments (continued)**

**B. Investments (continued)**

The following table includes the portfolio balance, credit rating, and percentage of the portfolio balance by investment type and weighted average days to maturity of investments held by the District as of June 30, 2019:

<b>Investment Type</b>	<b>Fair Value</b>	<b>S&amp;P Credit Quality Ratings</b>	<b>Percentage of Investments</b>	<b>Weighted Average Maturity (Days)</b>
Local Government Investment Pools: *				
TexPool	\$ 50,946,191	AAAm	15.20%	27
TexSTAR	45,835,810	AAAm	13.67%	26
<b>Total</b>	<u>96,782,001</u>			
Investments-Securities:				
Securities of U.S. Government Agencies:				
Federal Farm Credit Bank	28,035,220	AA+	8.36%	523
Federal Home Loan Bank	19,976,374	AA+	5.96%	323
Federal Home Loan Mortgage Corp	35,921,389	AA+	10.71%	535
	<u>83,932,983</u>			
U.S. Treasury Notes	<u>51,889,128</u>	AA+	15.48%	278
Corporate Obligations Short-Term:				
Toyota Motor Credit	10,947,650	A-1+	3.27%	59
Natixis	23,900,269	A-1-	7.13%	81
ING Funding	8,000,000	A-1	2.39%	72
MUFG Bank	7,992,710	A	2.38%	68
BNP Paribas NY	23,946,967	A-1	7.14%	
J.P. Morgan Securities	27,865,897	A-1	8.31%	71
	<u>102,653,493</u>			
<b>Total</b>	<u>238,475,604</u>			
<b>Total Investments</b>	<u>\$ 335,257,605</u>		<u>100.00%</u>	

\* Per GASB 79, valued at amortized cost.



**Note 4 - Deposits (Cash) and Investments (continued)**

**B. Investments (continued)**

Investments' fair value measurements are as follows at June 30, 2019:

<u>Investments</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		<u>Inputs</u>	<u>Inputs</u>	<u>Inputs</u>
Money Market	\$ 28,039,462	\$ -	\$ 28,039,462	\$ -
Debt securities:				
U.S. Treasury Notes	51,889,128	-	51,889,128	-
U.S. Agency Securities	83,932,983	-	83,932,983	-
Corporate Obligations Short-Term	102,653,493	-	102,653,493	-
Total	<u>\$ 266,515,066</u>	<u>\$ -</u>	<u>\$ 266,515,066</u>	<u>\$ -</u>

**Local Government Investment Pools**

As of June 30, 2019, the District's investments included the Texas Local Government Investment Pool (TexPool), and the Texas Short Term Asset Reserve Program (TexSTAR). The TexPool, and TexSTAR investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk.

TexPool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act of 1987, as amended. The Texas State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Federated Investors manages the daily operations of the pool under a contract with the Comptroller.

TexSTAR is an investment pool managed by J.P. Morgan Fleming Asset Management (USA), Inc. (JPMFAM) and Hilltop Securities Asset Management, Inc. (HSAM). JPMFAM provides investment services and HSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co. TexSTAR will seek to maintain a credit rating no lower than AAA, AAAM, or the equivalent by at least one nationally recognized rating agency.

The value of District portions in TexPool and TexSTAR are the same as the value of the shares. The external pooled funds use amortized cost rather than fair value to report net position to compute share price. Accordingly, the fair value of the positions of the pooled funds is the same as the value of the external pool shares. The funds are structured similar to a money market mutual fund which allows shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1, although this cannot be fully guaranteed. TexPool and TexSTAR pooled funds each have a weighted average maturity of 27 and 26 days respectively. However, the District can redeem its share position within one day when necessary.

The District invests in various types of investment securities at June 30, 2019. These include U.S. Government Agencies, Treasury Notes and commercial paper in which the carrying value reflect the fair value of the investments. The District estimates the fair value of the investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

**Note 4 - Deposits (Cash) and Investments (continued)**

**B. Investments (continued)**

**Investment Risk**

The risk exposure for governmental and business-type activities, major funds, the internal service fund, and fiduciary fund types of the District are not significantly greater than the deposit and investment risk of the overall primary government. The District's Investment Policy segregates the portfolios into strategic categories including:

1. General Fund
2. Debt Service Fund
3. Capital Projects Fund
4. Special Revenue and Other Special-Purpose Funds

The District's Investment Policy seeks to control credit risk. Such risk is controlled by investing only in instruments of the highest credit quality; pre-qualifying the brokers and financial institutions with whom the District conducts business; obtaining sufficient collateral when required; diversifying investments among security types, issuers, and maturity dates; limiting final and weighted average maturities; and closely monitoring credit ratings.

In accordance with GASB 79, TexPool and TexStar do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. Both pools do not impose any liquidity fees or redemption gates.

**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 the Investment Policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to no more than 365 days, with the exception of debt service and capital projects funds which are matched to a specific cash flow for liquidity. In addition, the District shall not directly invest in an individual security maturing more than three years from the date of purchase. All investments at year-end complied with the Investment Policy in regard to maximum maturity dates and weighted average maturity limitations.

**Note 4 - Deposits (Cash) and Investments (continued)**

**B. Investments (continued)**

**Adjustment to Investment's Fair Value**

The District's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates have risen, the portfolio value will have declined. If interest rates have fallen, the portfolio value will have risen. Fair values of U.S. Treasury Notes, U.S. Government Agency Securities, and short-term Corporate Obligations, are based on quoted market values. The investments are reported by the District at fair value in accordance with Governmental Accounting Standards. The amount of increase or decrease in the fair value of investments is included in investment income. The District recorded a \$252,609 increase in the fair value of investments for the year that is included in investment income.

	<b>Governmental Funds</b>	<b>Proprietary Fund</b>	<b>Fiduciary Fund</b>	<b>Total</b>
Interest Income	\$ 8,697,885	\$ 57,790	\$ 5,355	\$ 8,761,030
Net Increase in Fair Value of Investments	252,609	-	-	252,609
<b>Total Investment Income</b>	<b>\$ 8,950,494</b>	<b>\$ 57,790</b>	<b>\$ 5,355</b>	<b>\$ 9,013,639</b>

**Note 5 - Property Taxes**

Property taxes are levied by October 1st or within 60 days of receiving a certified roll in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Appraised values are established by the Central Appraisal District (CAD) of Harris County, Texas. Taxes are levied by the District's Board of Trustees based on the appraised values received from Harris County Appraisal District. Billing and collection of tax levies are performed by the District.

Property tax rates, established in accordance with state law, are levied on real and personal property within the District's boundaries for use in financing general government and debt service expenditures. Tax rates levied to finance general government and debt service expenditures for the fiscal year were \$1.11 and \$0.2845, respectively, based on an assessed property valuation of approximately \$30.7 billion resulting in an adjusted tax levy of approximately \$428.1 million. Allowances for uncollectible taxes are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**Note 5 - Property Taxes (continued)**

Governmental funds net property taxes receivable at June 30, 2019, consisted of the following:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Totals</b>
<b>Delinquent Taxes:</b>			
Current Year Levy	\$ 4,279,314	\$ 1,096,815	\$ 5,376,129
Prior Years' Levies	4,113,000	1,082,486	5,195,486
<b>Total Delinquent Taxes</b>	8,392,314	2,179,301	10,571,615
Penalty and Interest on Delinquent Taxes	3,900,637	904,698	4,805,335
<b>Total Delinquent Taxes and Penalty and Interest</b>	12,292,951	3,083,999	15,376,950
Less Allowance for Uncollectible Taxes	(4,061,204)	(957,014)	(5,018,218)
<b>Net Property Taxes Receivable</b>	<u>\$ 8,231,747</u>	<u>\$ 2,126,985</u>	<u>\$ 10,358,732</u>

**Note 6 - Receivables Due From Other Governments**

Receivables due from other governments at June 30, 2019, consisted of the following:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total</b>
<b>Due From Other Governments</b>			
Federal	\$ 560,920	\$ 4,473,939	\$ 5,034,859
State	43,254,056	21,727	43,275,783
<b>Total Due from Other Governments</b>	<u>\$ 43,814,976</u>	<u>\$ 4,495,666</u>	<u>\$ 48,310,642</u>

**Note 7 - Payables Due To Other Governments**

Payables due to other governments at June 30, 2019, consisted of the following:

	<b>General Fund</b>	<b>Total</b>
<b>Due To Other Governments</b>		
State:		
Texas Education Agency	\$ 24,666,686	\$ 24,666,686
<b>Total Due To Other Governments</b>	<u>\$ 24,666,686</u>	<u>\$ 24,666,686</u>

**Note 8 - Interfund Receivables, Payables and Transfers**

Interfund balances consist of short term lending/borrowing arrangements that result primarily from payroll, warehouse ordering, accounts payable and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more governmental funds. Amounts due to/from other funds at June 30, 2019, consisted of the following:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Governmental Funds</b>		
General Fund	\$ 314,513	\$ 263,485
Special Revenue Fund	995,052	1,214,058
Capital Projects Fund	-	3,926
<b>Total Governmental Funds</b>	<u>1,309,565</u>	<u>1,481,469</u>
<b>Proprietary Funds</b>		
Enterprise Fund	<u>220,543</u>	<u>48,639</u>
<b>Total Proprietary Funds</b>	<u>220,543</u>	<u>48,639</u>
<b>Total - All Funds</b>	<u>\$ 1,530,108</u>	<u>\$ 1,530,108</u>

Interfund transfers are defined as “flow of assets without equivalent flows of assets in return and without a requirement for repayment”. Interfund transfers during the year ended June 30, 2019, were as follows:

	<b>Transfers In</b>		
	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>
<b>Transfer Out</b>			
General Fund	\$ -	\$ 39,609	\$ -
Special Revenue Fund	1,355,319	33,966	179,856
Enterprise Fund	-	3,895	-
	<u>\$ 1,355,319</u>	<u>\$ 77,470</u>	<u>\$ 179,856</u>

The Special Revenue Fund transfer to the General Fund grant awards related to Hurricane Harvey.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Exhibit F-1**

**Note 9 - Capital Assets**

The District records assets based on historical costs and calculates depreciation on capital assets in accordance with GASB Statement 34. The District's capitalization policy is to capitalize assets costing over \$5,000 and with a life expectancy of two years or more. Depreciation expense on capital assets not directly related to a specific function will be allocated to the functional expense categories. Allocation is based on the square feet of buildings that are related to a specific function.

Capital asset activity for the governmental and business-type activities of the District for the year ended June 30, 2019, are as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Retirements and Transfers</b>	<b>Balance June 30, 2019</b>
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 23,427,209	\$ -	\$ 369,820	\$ 23,797,029
Construction in Progress	6,757,612	15,196,848	(7,125,439)	14,829,021
<b>Total Capital Assets, Not Being Depreciated</b>	<b>30,184,821</b>	<b>15,196,848</b>	<b>(6,755,619)</b>	<b>38,626,050</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	919,977,562	-	6,526,893	926,504,455
Furniture and Equipment	28,567,687	697,693	(157,414)	29,107,966
Vehicles	27,389,967	3,490,488	(1,723,014)	29,157,441
Capital Lease Assets	2,906,889			2,906,889
<b>Total Capital Assets, Being Depreciated at Historical Cost</b>	<b>978,842,105</b>	<b>4,188,181</b>	<b>4,646,465</b>	<b>987,676,751</b>
<b>Less: Accumulated Depreciation:</b>				
Buildings and Improvements	(258,664,784)	(23,512,904)	-	(282,177,688)
Furniture and Equipment	(23,576,341)	(1,758,881)	403,795	(24,931,427)
Vehicles	(14,283,741)	(2,009,749)	1,653,294	(14,640,196)
Capital Lease Assets	(2,906,889)	-	-	(2,906,889)
<b>Total Accumulated Depreciation</b>	<b>(299,431,755)</b>	<b>(27,281,534)</b>	<b>2,057,089</b>	<b>(324,656,200)</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 709,595,171</b>	<b>\$ (7,896,505)</b>	<b>\$ (52,065)</b>	<b>\$ 701,646,601</b>
<b>Business-type Activities</b>				
<b>Capital Assets being depreciated:</b>				
Furniture and Equipment	\$ 118,905	\$ -	\$ -	\$ 118,905
Vehicles	275,510	18,055	-	293,565
<b>Total Capital Assets, being Depreciated at historical cost</b>	<b>394,415</b>	<b>18,055</b>	<b>-</b>	<b>412,470</b>
<b>Less: Accumulated Depreciation for:</b>				
Furniture and Equipment	(99,875)	(6,369)	-	(106,244)
Vehicles	(163,362)	(27,891)	-	(191,253)
<b>Total Accumulated Depreciation</b>	<b>(263,237)</b>	<b>(34,260)</b>	<b>-</b>	<b>(297,497)</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 131,178</b>	<b>\$ (16,205)</b>	<b>\$ -</b>	<b>\$ 114,973</b>
<b>Totals</b>	<b>\$ 709,726,349</b>	<b>\$ (7,912,710)</b>	<b>\$ (52,065)</b>	<b>\$ 701,761,574</b>

**Note 9 - Capital Assets (continued)**

Capital assets for Internal Service funds included in governmental activities were as follows:

	<b>Balance</b>
	<b>June 30, 2019</b>
Vehicles	\$ 147,500
Furniture & Equipment	44,350
Accumulated Depreciation	(191,850)
	<u>\$ -</u>

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

	<b>Depreciation Expense</b>
<b>Governmental Activities Depreciation Expense:</b>	
11 Instruction	\$ 21,480,223
34 Student Transportation	1,326,256
35 Food Services	333,019
36 Cocurricular/Extracurricular activities	1,674,811
41 General Administration	94,557
51 Facilities Maintenance and Operations	688,207
52 Security and Monitoring Services	139,997
53 Data Processing Services	1,429,187
81 Facilities Acquisition and Construction	115,277
<b>Total Governmental Activities Depreciation Expense</b>	<u><u>\$ 27,281,534</u></u>
<b>Business-type Activities Depreciation Expense:</b>	
36 Cocurricular/Extracurricular activities	\$ 11,639
51 Plant Maintenance and Operations	16,765
61 Community Services	5,856
<b>Total Business-type Activities Depreciation Expense</b>	<u><u>\$ 34,260</u></u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*Exhibit F-1*

**Note 9 - Capital Assets (continued)**

A summary of capital projects having construction in progress as of June 30, 2019, is scheduled as follows:

<b>Description of Project</b>	<b>Construction in Progress at Cost</b>	<b>Approved Project Budget</b>	<b>Estimated Remaining Commitment</b>
Memorial High	\$ 2,045,057	\$ 14,504,527	\$ 12,459,470
Northbrook High	105,000	2,774,792	2,669,792
Spring Woods High	3,029,729	30,877,000	27,847,271
Stratford High	157,500	3,661,566	3,504,066
Guthrie Center	-	7,042	7,042
Science Center	-	50,000	50,000
Spring Branch Education Center	177,867	576,431	398,564
Landrum Middle	1,136,323	5,907,609	4,771,286
Memorial Middle	2,001	2,001	-
Northbrook Middle	-	6,711	6,711
Spring Branch Middle	-	1,605	1,605
Spring Forest Middle	4,900	530,058	525,158
Spring Oaks Middle	1,419,074	8,423,509	7,004,435
Bendwood	-	182,700	182,700
Buffalo Creek Elementary	399,078	11,079,653	10,680,575
Bunker Hill Elementary	-	82,979	82,979
Cedar Brook Elementary	446,183	18,045,702	17,599,519
Edgewood Elementary	-	26,447	26,447
Frostwood Elementary	259,828	260,691	863
Hollibrook Elementary	-	20,189	20,189
Housman Elementary	-	2,140,847	2,140,847
Hunters Creek Elementary	171,723	344,062	172,339
Memorial Drive Elementary	-	17,637	17,637
Nottingham Elementary	-	39,228	39,228
Pine Shadows Elementary	-	9,754	9,754
Ridgecrest Elementary	-	25,750	25,750
Rummel Creek Elementary	-	183,396	183,396
Shadow Oaks Elementary	-	27,309	27,309
Sherwood Elementary	-	26,300	26,300
Spring Branch Elementary	-	50,000	50,000
Thornwood Elementary	-	145,675	145,675
Treasure Forest Elementary	400,528	11,051,392	10,650,864
Valley Oaks Elementary	-	47,330	47,330
Westwood Elementary (new)	301,512	330,850	29,338
Wilchester Elementary	-	13,213	13,213
Woodview Elementary	-	107,315	107,315
Bear Blvd	-	250,000	250,000
Lion Lane	-	243,265	243,265
Panda Path	-	66,930	66,930
Tiger Trail	50,765	1,897,131	1,846,366
Wildcat Way	51,190	1,964,271	1,913,081
Tax Office	-	15,729	15,729
Technology Training Center	-	50,000	50,000
District Wide Programs	3,789,067	8,507,824	4,718,757
Wayne Schaper, Sr. Admin Bldg	-	1,734,253	1,734,253
Other Warehouses	-	29,206	29,206
Gessner Warehouses	217,062	2,309,599	2,092,537
Athletic Complexes	393,212	2,470,483	2,077,271
Natatorium	-	77,500	77,500
South Transition Campus	42,750	2,329,154	2,286,404
East Transition Campus	-	2,271,030	2,271,030
West Support Center	30,700	56,427	25,727
T Buildings	197,972	235,834	37,862
	<u>\$ 14,829,021</u>	<u>\$ 136,089,906</u>	<u>\$ 121,260,885</u>



**Note 10 - Long-Term Debt and Debt Service Requirements**

The District issues general obligation bonds to provide funds for the renovation, acquisition, construction and equipment of major capital facilities. The general obligation bonds are direct obligations and pledge the full faith and credit of the District.

General long-term debt consists of bonds payable, capital leases and compensated absences. Bonds are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, and investment income. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bonds indentures. The District has never defaulted on any bond principal or interest payment. Debt service requirements for accrued compensated absences are generally payable from the General Fund when due. Capital lease obligations are payable from the General Fund.

On March 27, 2019, the District established a defeasance escrow to defease all or a portion of the District's outstanding bonds, Unlimited Tax Schoolhouse Bonds Series 2009A and Unlimited Tax Schoolhouse Bonds Series 2010A (the "Defeased Bonds"), for a total of \$19,145,000, prior to their scheduled maturities. The District deposited directly with a paying agent for the Defeased Bonds available funds of the District into an escrow fund in an amount of \$19,715,240, sufficient to provide the payment, redemption, or defeasance of all or a portion of the Defeased Bonds and such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Defeased Bonds.

On June 18, 2019, the District remarketed its Variable Rate Unlimited Tax Schoolhouse Bonds, Series 2013, (the "Bonds"), which were initially issued on October 16, 2013. The Board authorized the conversion of the Bonds in the aggregate principal amount of \$32,295,000 maturing on June 15, 2041. The Bonds were remarketed in a new term rate period ending June 14, 2021. During the new term rate period interest on the Bonds shall be 1.55%.

On October 2, 2009 and December 7, 2010, the District issued Unlimited Tax Schoolhouse Bonds, Taxable Series 2009 and 2010, also known as direct payment Build America Bonds (BABS) which provides for a direct reimbursement of up to 35 percent of the interest paid on the bonds. The District received reimbursements totaling \$2,645,099 during the fiscal year.

**Note 10 - Long-Term Debt and Debt Service Requirements (continued)**

A summary of general long-term debt transactions of the District for the fiscal year ended June 30, 2019, follows:

	<b>Balance July 1, 2018</b>	<b>Issued and Additions</b>	<b>Retired and Refunded</b>	<b>Balance June 30, 2019</b>	<b>Due Within One Year</b>
<b>Bonds Payable</b>					
General Obligation Bonds	\$684,385,000	\$ 32,295,000	\$ (93,910,000)	\$ 622,770,000	28,615,000
Plus Premiums on					
Bonds at Issuance	60,177,827	-	(7,939,017)	52,238,810	-
<b>Total Bonds Payable</b>	744,562,827	32,295,000	(101,849,017)	675,008,810	28,615,000
Compensated Absences	10,053,102	897,351	(603,884)	10,346,569	923,914
Capital Lease	495,272	-	(280,893)	214,379	214,379
<b>Total Long-Term Debt</b>	<b>\$755,111,201</b>	<b>\$ 33,192,351</b>	<b>\$ (102,733,794)</b>	<b>\$ 685,569,758</b>	<b>\$ 29,753,293</b>

**Bonds Payable**

Bonded debt, at June 30, 2019, is comprised of the following individual issues:

<b>Series</b>	<b>Issue Amount</b>	<b>Interest Rate (%)</b>	<b>Matures</b>	<b>Amount Outstanding</b>
2009B BABS	62,085,000	5.89	2039	\$ 62,085,000
2010A Schoolhouse Bonds	25,000,000	4.00 - 5.00	2025	3,240,000
2010B BABS	75,000,000	5.54 - 6.04	2039	75,000,000
2011 Schoolhouse Bonds	75,000,000	4.00 - 5.00	2041	73,190,000
2013 Schoolhouse Bonds	45,990,000	Variable	2041	32,295,000
2014A Schoolhouse Bonds	31,390,000	2.50 - 5.00	2042	29,265,000
2014B Refunding Bonds	63,520,000	3.00 - 5.00	2026	33,690,000
2015A Refunding Bonds	65,795,000	2.00 - 5.00	2025	45,815,000
2015B Refunding Bonds	153,550,000	2.00 - 5.00	2038	142,845,000
2018 Schoolhouse Bonds	132,345,000	3.00 - 5.00	2043	125,345,000
Total Bonds Payable				622,770,000
Plus Unamortized Premiums on Issuance				52,238,810
Total Bonds Payable				675,008,810
Less Current Portion				28,615,000
<b>Long-Term Portion Bonds Payable</b>				<b>\$646,393,810</b>

**Note 10 - Long-Term Debt and Debt Service Requirements (continued)**

**Annual Debt Service Requirements**

Annual requirements to amortize all bonded debt outstanding as of June 30, 2019, follow:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 28,615,000	\$ 29,693,133	\$ 58,308,133
2021	27,595,000	28,326,647	55,921,647
2022	31,405,000	27,926,605	59,331,605
2023	23,190,000	26,419,087	49,609,087
2024	24,020,000	25,304,491	49,324,491
2025	21,345,000	24,132,228	45,477,228
2026	22,690,000	23,095,124	45,785,124
2027	20,125,000	21,969,722	42,094,722
2028	21,055,000	20,973,338	42,028,338
2029	22,010,000	19,947,844	41,957,844
2030	22,960,000	18,876,016	41,836,016
2031	29,875,000	17,804,834	47,679,834
2032	31,150,000	16,232,754	47,382,754
2033	32,425,000	14,670,568	47,095,568
2034	33,695,000	13,132,373	46,827,373
2035	35,035,000	11,502,762	46,537,762
2036	36,455,000	9,808,267	46,263,267
2037	37,910,000	8,045,086	45,955,086
2038	39,475,000	6,192,346	45,667,346
2039	30,210,000	4,198,363	34,408,363
2040	16,245,000	2,557,429	18,802,429
2041	17,065,000	1,756,596	18,821,596
2042	9,895,000	911,000	10,806,000
2043	8,325,000	416,250	8,741,250
Total	<u>\$ 622,770,000</u>	<u>\$ 373,892,863</u>	<u>\$ 996,662,863</u>

**Note 10 - Long-Term Debt and Debt Service Requirements (continued)**

The District is in compliance with all significant bond compliance requirements. As of June 30, 2019, the District had \$752.4 million authorized, but unissued bonds.

**Prior Year Defeasance of Debt**

In prior years, the District defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future debt service payments are not included in the District's financial statements. As of June 30, 2019, the amount of defeased debt outstanding amount to \$0.

**Capital Lease Obligations**

In November 2004, the District entered into a lease purchase of Utility Conservation and HVAC systems equipment for various buildings in the District totaling \$2,906,889. The accumulated depreciation on the capital assets as of June 30, 2019, was \$2,906,889, leaving a net book value of \$0. During the 2015 year the District refinanced the capital lease for \$1,500,093, at a contract interest rate of 2.00% per annum. The future payments under the lease agreements are as follows as of June 30, 2019:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 214,379	\$ 2,147	\$ 216,526
<b>Total</b>	214,379	\$ 2,147	\$ 216,526
Less Current Portion	(214,379)		
<b>Long-Term Portion</b>	<u>\$ -</u>		

**Note 11 - Deferred Outflows/Inflows of Resources and Unearned Revenue**

*Deferred Outflows of Resources*

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred loss on refunding as of June 30, 2019 was \$8,238,974. A detailed discussion on deferred outflows – pension is presented in Note 15 Retirement Plan.

*Deferred Inflows of Resources*

A detailed discussion of deferred inflow of resources – pension is presented in Note 15 - Retirement Plan and only affects the government-wide financial statements. Property taxes that have not been collected within 60 days of year-end are considered unavailable in the fund financial statements.

Unearned revenue at year-end represents funds received in advance for which expenditures have not been incurred as is the case with grant revenue. A summary of deferred inflows and unearned revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
<b>Deferred Inflows of Resources</b>		
General Fund - Property Taxes	\$ 6,445,185	\$ -
Debt Service Fund - Property Taxes	1,506,718	-
<b>Unearned Revenue</b>		
Unearned Revenue on Grants	-	62,581
General Fund - Unearned Revenue	-	412,893
Enterprise Fund - Unearned Revenue	-	19,550
<b>Total Deferred Inflows of Resources and Unearned Revenue</b>	<u>\$ 7,951,903</u>	<u>\$ 495,024</u>

**Note 12 - Fund Equity**

**Assignments of Fund Balance**

According to District policy CE Local, the Board may establish assignments or commitments of fund balance from time to time in order to meet specific District needs. Assignments and commitments of fund balance shall be vetted and approved by the Board. Furthermore, commitments of fund balance shall be submitted to the Board for approval. The District assigns portions of the fund balance to indicate the administration's tentative plans for future use of financial resources. The assignment is determined by management at the end of each fiscal year.

A summary of restricted, committed and assigned fund balance as of June 30, 2019, for all governmental fund types follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Restricted Fund Balance</b>				
Grant funds	\$ -	\$ 4,698,881	\$ -	\$ -
Debt service	-	-	36,598,724	-
Capital acquisitions and obligations	-	-	-	146,502,610
Other:				
Instruction Material Allotment	-	184,679	-	-
Local technology	-	6,834,429	-	-
Donations - locally funded	-	2,490,355	-	-
Total Other	-	9,509,463	-	-
<b>Total Restricted</b>	-	14,208,344	36,598,724	146,502,610
<b>Committed Fund Balance</b>				
Other:				
Campus Activity	-	1,396,610	-	-
<b>Total Committed</b>	-	1,396,610	-	-
<b>Assigned Fund Balance</b>				
Capital equipment replacement	1,389,563	-	-	-
Other:				
Compensated absences	963,881	-	-	-
Subsequent year expenditures	9,851,891	-	-	-
Total Other	10,815,772	-	-	-
<b>Total Assigned</b>	12,205,335	-	-	-
<b>Totals</b>	<u>\$ 12,205,335</u>	<u>\$ 15,604,954</u>	<u>\$ 36,598,724</u>	<u>\$ 146,502,610</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*Exhibit F-1*

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

A summary of local revenues recorded in the governmental funds for the fiscal year ended June 30, 2019, follows:

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
Property Taxes	\$ 331,017,860	\$ -	\$ 90,827,227	\$ -	\$ 421,845,087
Penalties, Interest and Other Related Tax Income	2,232,683	-	481,186	-	2,713,869
Tuition and Fees	1,735,508	-	-	-	1,735,508
Investment Income	3,786,302	85,073	927,447	4,151,672	8,950,494
Food Sales	-	2,123,073	-	-	2,123,073
Cocurricular Activities	420,087	-	-	-	420,087
Insurance Recovery	111,746	-	-	-	111,746
Other	1,317,118	6,066,564	67	-	7,383,749
<b>Total</b>	<b>\$ 340,621,304</b>	<b>\$ 8,274,710</b>	<b>\$ 92,235,927</b>	<b>\$ 4,151,672</b>	<b>\$ 445,283,613</b>

**Note 14 - General Fund Federal Program Revenues**

A summary of federal program revenues received in the General Fund for the fiscal year ended June 30, 2019, follows:

<b>Program or Grant</b>	<b>CFDA Number</b>	<b>Amount Recorded in General Fund</b>
<b>Indirect Costs:</b>		
ESEA, Title I, Part A - Improving Basic Programs	84.010A	\$ 419,020
IDEA, Part B - Formula	84.027A	113,758
ESEA, Title II, Part A - TPTR	84.367A	45,369
Restart Hurricane Recovery	84.938A	31,292
<b>Total Indirect Costs</b>		<u>609,439</u>
<b>Direct Costs:</b>		
Medicaid Program	93.778	202,943
SHARS Program	n/a	8,337,938
Build America Bonds Subsidized Interest	n/a	2,645,099
ROTC	12.000	94,267
<b>Total Direct Costs</b>		<u>11,280,247</u>
<b>Total Indirect and Direct Costs</b>		<u><u>\$ 11,889,686</u></u>

**Note 15 - Defined Benefit Pension Plans**

**Plan Description**

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2018.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2018.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**Benefits Provided**

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

**Contributions**

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



**Note 15 - Defined Benefit Pension Plans (continued)**

**Contributions (continued)**

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

	<b>Contribution Rates</b>	
	<b>Plan Fiscal Year</b>	
	<b>2018</b>	<b>2019</b>
Member (Employee)	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

	<b>Measurement Year (2018)</b>	<b>Fiscal Year (2019)</b>
	<b>Contributions</b>	<b>Contributions</b>
	<b>Required and Made</b>	<b>Pension Expense</b>
Employer (District) contributions	\$ 7,057,329	\$ 15,779,429
Members (Employee) contributions	17,304,935	-
Non-employer (State) On-behalf contributions	10,674,537	17,272,966

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**Note 15 - Defined Benefit Pension Plans (continued)**

**Contributions (continued)**

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

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

**Actuarial Assumptions**

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.91%
Long-term expected Investment Rate	7.25%
Municipal Bond Rate	3.69%
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

\* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted on July 2018.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018, are summarized as follows:

**Note 15 - Defined Benefit Pension Plan (continued)**

**Plan Description (continued)**

<u>Asset Class</u>	<u>Target Allocation 1</u>	<u>Long-Term Expected Geometric Real Rate of Return 2</u>	<u>Expected Contribution to Long-Term Portfolio Returns</u>
<b>Global Equity</b>			
U.S.	18.00%	5.70%	1.04%
Non-U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.50%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
<b>Stable Value</b>			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	-0.30%	0.00%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Assets	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
<b>Risk Parity</b>			
Risk Parity	5.00%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag <sup>3</sup>			-0.79%
<b>Total</b>	<u>100.00%</u>		<u>7.25%</u>

1 Target allocations are based on the FY 2016 policy model.

2 Capital market assumptions come from Aon Hewitt (2017 Q4)

3 The volatility drag results from the conversion between arithmetic and geometric mean returns.

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the Net Pension Liability.

	<u>1% Decrease 5.907%</u>	<u>Current Discount Rate 6.907%</u>	<u>1% Increase 7.907%</u>
District's proportional share of the net pension liability	\$ 174,031,470	\$ 115,310,682	\$ 67,772,722

**Note 15 - Defined Benefit Pension Plan (continued)**

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

At June 30, 2019, the District reported a liability of \$115,310,682 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.20949%
District's proportionate share of the collective net pension liability	\$ 115,310,682
State's proportionate share that is associated with District	174,521,390
Total	<u>\$ 289,832,072</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 and rolled forward to August 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018, the District's proportion of the collective net pension liability was 0.20949% which was an increase of 0.00816% from its proportion measured as of August 31, 2017.

**Change Since the Prior Actuarial Valuation**

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

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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

For the year ended June 30, 2019, the District recognized pension expense of \$33,052,395 and revenue of \$17,272,966 for support provided by the State.

**Note 15 - Defined Benefit Pension Plans (continued)**

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

At June 30, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 718,752	\$ (2,829,269)
Changes of assumptions	41,575,055	(1,299,222)
Difference between projected and actual earnings on pension plan investments	-	(2,187,938)
Changes in proportion and differences between District contributions and proportionate share of contributions	10,258,961	(2,774,537)
District contributions subsequent to the measurement date	6,334,997	-
Total	<u>\$ 58,887,765</u>	<u>\$ (9,090,966)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$6,334,997 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30</b>	
2020	\$ 11,752,265
2021	7,147,921
2022	5,870,641
2023	6,971,712
2024	6,881,493
2025	4,837,770
	<u>\$ 43,461,802</u>

**Note 16 - Defined Other Post-Employment Benefit Plans**

**A. Plan Description**

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

**B. OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/TRS%20Documents/cafr\\_2018.pdf](http://www.trs.texas.gov/TRS%20Documents/cafr_2018.pdf) by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**C. Benefits Provided**

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

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

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

<b>TRS-Care Monthly For Retirees</b>			
<b>Effective January 1, 2018 - December 31, 2018</b>			
	<b>Medicare</b>		<b>Non-Medicare</b>
Retiree or Surviving Spouse	\$	135	\$ 200
Retiree and Spouse		529	689
Retiree or Surviving Spouse and Children		468	408
Surviving Children only		1,020	999

**Note 16 - Defined Other Post-Employment Benefit Plans (continued)**

**D. Contributions**

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

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

	Contribution Rates	
	2019	2018
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

	Measurement Year (2018)		Fiscal Year (2019)
	Contributions Required and Made	OPEB Expense	TRS Care Contributions
Member (Employee)	\$ 1,460,807	\$ -	\$ 1,498,755
Non-employer contributing agency (State)	2,633,483	6,943,067	2,691,740
District	1,882,455	4,182,199	1,983,973

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

**Note 16 - Defined Other Post-Employment Benefit Plans (continued)**

**D. Actuarial Assumptions**

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in this OPEB valuation were identical to those used in the respective TRS pension valuation. Since the assumptions were based upon a recent actuarial experience study performed and they were reasonable for this OPEB valuation, they were employed in this report.

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

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	
Valuation date	August 31, 2017, rolled forward to August 31, 2018
Actuarial Cost method	Individual Entry Age Normal
Inflation	2.30%
Discount rate *	3.69%
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses to the delivery of health care benefits are included in the age adjusted claims costs.
Payroll growth rate	2.50%
Salary increases	3.05% to 9.05% **
Healthcare trend rates	6.75% to 107.74% ***
Election rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65.
Ad hoc post-employment benefit changes	None

\* Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.

\*\* Includes Inflation at 2.50%

\*\*\* Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescription trend rate of 4.50% over a period of 10 years.



**Note 16 - Defined Other Post-Employment Benefit Plans (continued)**

**D Actuarial Assumptions (continued)**

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

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

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

**E. Discount Rate**

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of 0.27% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**F. Sensitivity of the Net OPEB Liability**

*Discount Rate* - The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

1% Decrease in Discount Rate (2.69%)	Current Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
\$ 162,183,753	\$ 136,249,530	\$ 115,733,888

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 113,157,454	\$ 136,249,530	\$ 166,662,294

**Note 16 - Defined Other Post-Employment Benefit Plans (continued)**

**G. Sensitivity of the Net OPEB Liability (continued)**

At June 30, 2019, the District reported a liability of \$136,249,530 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$	136,249,530
State's proportionate share that is associated with District		<u>190,879,970</u>
Total	\$	<u><u>327,129,500</u></u>

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018 the District's proportion of the collective Net OPEB Liability was 0.27288% which was an increase of 0.01131% from its proportion measured as of August 31, 2017.

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

**Changes Since the Prior Actuarial Valuation**

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018 the District's proportion of the collective Net OPEB Liability was 0.27287% which was an increase of 0.0113% from its proportion measured as of August 31, 2017.

**Note 16 - Defined Other Post-Employment Benefit Plans (continued)**

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

At June 30, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 7,230,256	\$ (2,150,218)
Changes in actuarial assumptions	2,273,636	(40,935,166)
Difference between projected and actual investment earnings	23,828	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,199,120	-
Contributions paid to TRS subsequent to the measurement date	1,674,691	-
Total	<u>\$ 17,401,531</u>	<u>\$ (43,085,384)</u>

The \$1,674,691 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB Expense Amount
2020	(4,591,289)
2021	(4,591,289)
2022	(4,591,289)
2023	(4,595,795)
2024	(4,598,373)
2025	(4,390,509)
	<u>\$ (27,358,544)</u>

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2019, 2018 and 2017, the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2019	\$ 720,142
2018	866,484
2017	995,360

The information for the year ended June 30, 2019 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

**Note 17 - Risk Management**

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, liability, health and workers compensation insurance coverage through commercial carriers. Settled claims have not exceeded insurance coverage in any of the previous three fiscal years. There has not been any significant reduction in insurance coverage from the previous year.

***Health Care Coverage***

The District sponsors a fully-insured insurance plan to provide health care benefits to staff members and their dependents. Partial staff member contributions are required for personal coverage and staff member contributions are required for coverage of dependents.

***Letter of Credit***

In June of 2019 Wells Fargo Bank, N.A, issued a Standby Letter of Credit (SBLC) for drawings of up to \$599,000 for the benefit of Liberty Mutual Insurance Company. The District is administering an Owner Controlled Insurance Program under which insurance policies were purchased from Liberty Mutual to insure risks on construction projects financed by the 2017 bond authorization. Liberty Mutual required the District to provide the SBLC as a condition of issuing the insurance policies. If the District does not make deductible or loss limit payments due under the terms of the insurance policies Liberty Mutual may draw against the SBLC. As of September 25, 2019 no amounts were drawn, or expected to be drawn, on the SBLC. The District intends to annually renew the SBLC with an ultimate expiration date in June 2025.

**Workers' Compensation Aggregate Deductible**

During the year ended June 30, 2019, Spring Branch ISD met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

Spring Branch ISD participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2017, the Fund carries a discounted reserve of \$49,076,113 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended June 30, 2019, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles,

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

**Note 18 - Compensated Absences**

***Sick Leave Policy***

The District has established policies regarding the compensation of employees for unused sick leave upon retirement from service. An employee who is eligible to retire under the state retirement system, who selects the retirement system annuity options available, and who has been employed by the District for a continuous period of at least five years at the time of retirement shall be reimbursed for each day of unused local sick leave at a rate based on a percentage of the employee's average salary over the ten continuous years preceding retirement. Compensation for unused sick leave is limited and based on the years employed with the District, which are used to calculate the number of days and salary amounts that will be paid upon retirement.

The District records the payments for sick leave as an expenditure in the General Fund. The District records a liability at year-end in the General Fund for payments to be made to employees who have given notice before the end of the fiscal year and the amounts will be paid out of current resources early in the following fiscal year. As of June 30, 2019, the General Fund did not report a liability.

The District estimates the long-term portion of the sick leave liability and records this amount in the government-wide financials as a long-term liability. The long-term liability for compensated absences was \$10,346,569 as of June 30, 2019. The management of the District has assigned a portion of the fund balance in the General Fund to pay for accrued sick leave liability.

**Note 19 - Shared Service Arrangements**

The District participates in a Shared Service Arrangement (SSA) for deaf education services with eight other school districts. Approximately 19% of the students served by the SSA are attributable to the District. The District does not account for the revenues or expenditures for this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal contingencies that would give rise to a future additional benefit or burden to Spring Branch Independent School District. The fiscal agent manager is responsible for all financial activities of the SSA. The expenditures attributable to the District's participation totaled \$463,835.

**Note 20 - Litigation, Commitments and Contingencies**

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

The District received significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies and the TEA. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at year-end.

**Note 21 - Arbitrage**

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of the amount earned on investments purchased with bond proceeds, over the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that there is no arbitrage liability as of June 30, 2019.

**Note 22 - Subsequent Events**

On July 1, 2019 the District employed a new Superintendent of Schools, Dr. Jennifer Blaine, Ed. D.

On October 30, 2019, the District took proceeds of \$255,000,000 from issuance of Unlimited Tax Schoolhouse Bonds 2019. Proceeds will be used for the construction, acquisition, and equipment of school buildings.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS) AND ACTUAL – GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2019**  
**With Actual Totals for 2018**

**Exhibit G-1**

Data Control Codes		Budgeted Amounts		Actual Amounts GAAP Basis	Variance With Final Budget	2018 Actual
		Original	Final Amended		Positive (Negative)	
Revenues						
5700	Local and Intermediate Sources	\$ 337,567,541	\$ 337,813,361	\$ 340,621,304	\$ 2,807,943	\$ 322,840,043
5800	State Program Revenues	36,396,736	51,108,516	83,069,772	31,961,256	35,202,120
5900	Federal Program Revenues	7,650,000	11,121,550	11,889,686	768,136	8,989,059
5020	Total Revenues	381,614,277	400,043,427	435,580,762	35,537,335	367,031,222
Expenditures						
Current:						
11	Instruction	184,019,524	184,433,064	180,136,844	4,296,220	175,776,650
12	Instructional Resources and Media Services	3,436,999	3,458,695	3,331,957	126,738	3,321,075
13	Curriculum and Instructional Staff Development	6,056,316	5,720,381	5,660,366	60,015	4,395,382
21	Instructional Leadership	6,685,048	6,332,864	5,829,634	503,230	5,742,747
23	School Leadership	20,705,778	20,755,451	19,882,670	872,781	20,021,055
31	Guidance, Counseling and Evaluation Services	13,644,377	13,674,703	13,060,668	614,035	12,396,872
32	Social Work Services	167,813	116,785	108,304	8,481	189,913
33	Health Services	3,993,943	3,954,035	3,787,083	166,952	3,689,846
34	Student Transportation	7,860,214	9,741,754	9,087,592	654,162	8,377,036
35	Food Services	13,000	85,495	26,306	59,189	9,773
36	Cocurricular/Extracurricular Activities	6,241,984	6,378,688	6,051,450	327,238	6,229,248
41	General Administration	9,302,844	13,437,966	12,425,527	1,012,439	9,129,043
51	Facilities Maintenance and Operations	30,989,311	31,805,310	29,557,215	2,248,095	30,791,267
52	Security and Monitoring Services	3,813,922	5,498,087	4,662,902	835,185	3,759,340
53	Data Processing Services	7,078,197	7,686,825	7,318,960	367,865	6,604,555
61	Community Services	1,144,394	1,222,645	1,210,042	12,603	933,351
71	Debt Service	328,700	288,701	288,700	1	288,701
81	Capital outlay	10,000	87,000	62,071	24,929	38,623
91	Contracted Instructional	88,393,607	86,482,729	84,582,729	1,900,000	75,118,321
99	Other Intergovernmental Charges	3,192,376	3,298,811	3,195,108	103,703	3,058,519
6030	Total Expenditures	397,078,347	404,459,989	390,266,128	14,193,861	369,871,317
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,464,070)	(4,416,562)	45,314,634	49,731,196	(2,840,095)
Other Financing Sources (Uses)						
7912	Sale of Real and Personal Property	30,000	-	161,592	161,592	67,547
7915	Transfers in	-	1,516,911	1,355,319	(161,592)	108,881
8911	Transfers out	-	(39,609)	(39,609)	-	-
7080	Total Other Financing Sources (Uses)	30,000	1,477,302	1,477,302	-	176,428
1200	Net Change in Fund Balance	(15,434,070)	(2,939,260)	46,791,936	49,731,196	(2,663,667)
0100	Fund Balance - Beginning	83,097,290	83,097,290	83,097,290	-	85,760,957
3000	Fund Balance - Ending	\$ 67,663,220	\$ 80,158,030	\$ 129,889,226	\$ 49,731,196	\$ 83,097,290



### **Budgets and Budgetary Accounting**

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General and Debt Service Funds and the Food Service program included in the Special Revenue Fund before the beginning of the fiscal year. For the fiscal year beginning July 1<sup>st</sup>, the Texas Education Code requires the budget to be prepared not later than June 19th and adopted by June 30th of each year. The District's administration determines budgetary funding priorities using a modified zero-based budgeting concept, which is consistent with GAAP. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts legally authorized appropriated budgets for the General and Debt Service Funds and the Food Service program included in the Special Revenue Fund.

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

Management may amend the budget without seeking Board approval if appropriations are not transferred between functions. During fiscal year 2019, General Fund budgeted appropriations were increased by \$7.382 million.

### **Special Revenue Reconciliation of the Food Service Programs**

A reconciliation of the Food Service program to the Special Revenue Fund follows:

Special Revenue Fund Total Revenue Fund	\$50,270,779
Food Service Program Revenue	<u>(18,406,217)</u>
Other local, state and federal revenue	<u>\$31,864,562</u>
Special Revenue Fund Expenditures	\$48,374,356
Food Service Program Expenditures	<u>(17,673,415)</u>
Other local, state and federal Expenditures	<u>\$30,700,941</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT****Exhibit G-3****SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY****Teacher Retirement System of Texas****For the Last Five Measurement Years Ended August 31 (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.2094941%	0.2013303%	0.2124879%	0.2214700%	0.1516979%
District's proportionate share of the net pension liability	\$ 115,310,682	\$ 64,374,610	\$ 80,295,999	\$ 78,286,839	\$ 40,520,606
State's proportionate share of the net pension liability associated with the District	174,521,390	105,022,736	130,039,152	124,975,866	108,711,946
Total	<u>\$ 289,832,072</u>	<u>\$ 169,397,346</u>	<u>\$ 210,335,151</u>	<u>\$ 203,262,705</u>	<u>\$ 149,232,552</u>
District's covered payroll (for Measurement Year)	\$ 224,739,409	\$ 216,179,463	\$ 218,955,935	\$ 211,547,412	\$ 205,458,627
District's proportionate share of the net pension liability as a percentage of it's covered payroll	51.31%	29.80%	36.70%	37.00%	19.70%
Plan fiduciary net position as a percentage of the total pension liability *	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	126.11%	75.93%	92.75%	91.94%	72.89%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net pension liability is calculated using an new methodology and will be presented prospectively in accordance with GASB 68.

Note (1): Ten years of data should be presented in this schedule, but data was unavailable prior to 2014.  
Net pension liability and related ratios will be presented prospectively as data becomes available.

## **Notes to Required Supplementary Information - Pension**

### **Changes of Assumptions**

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

### **Changes in Benefit Terms**

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

### **Other Information**

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

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT CONTRIBUTIONS - PENSION**  
**Teacher Retirement System of Texas**  
**Last Nine Fiscal Years**

**Exhibit G-5**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contributions	\$ 7,451,017	\$ 7,018,331	\$ 6,632,615	\$ 6,730,805	\$ 6,034,880
Contributions in relation to the contractual required contributions	7,451,017	7,018,331	6,632,615	6,730,805	6,034,880
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 230,577,415	\$ 223,647,790	\$ 216,419,381	\$ 218,152,461	\$ 210,359,614
Contributions as a percentage of covered payroll	3.23%	3.14%	3.06%	3.09%	2.87%
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	
Contractually required contributions	\$ 3,683,688	\$ 3,136,061	\$ 2,881,642	\$ 3,484,401	
Contributions in relation to the contractual required contributions	3,683,688	3,136,061	2,881,642	3,484,401	
contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 203,842,425	\$ 196,703,893	\$ 199,440,793	\$ 209,668,678	
Contributions as a percentage of covered employee payroll	1.81%	1.59%	1.44%	1.66%	

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**Teacher Retirement System of Texas**  
**For the Last Two Measurement Years Ended August 31 (1)**

**Exhibit G-6**

	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.2728760%	0.2615663%
District's proportionate share of the OPEB liability	\$ 136,249,530	\$ 113,745,362
State's proportionate share of the net OPEB liability associated with the District	<u>190,879,970</u>	<u>167,667,465</u>
Total	<u>\$ 327,129,500</u>	<u>\$ 281,412,827</u>
District's covered payroll (for Measurement Year)	\$ 224,739,409	\$ 216,179,463
District's proportionate share of the OPEB liability as a percentage of it's covered payroll	60.60%	52.62%
Plan fiduciary net position as a percentage of the total OPEB liability *	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	146.64%	132.55%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net OPEB liability is calculated using an new methodology and will be presented prospectively in accordance with GASB 75.

Note (1): Ten years of data should be presented in this schedule, but data was unavailable prior to plan year 2017.

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

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULES OF DISTRICT CONTRIBUTIONS - OPEB**  
**Teacher Retirement System of Texas**  
**Last Three Fiscal Years**

**Exhibit G-7**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contributions	\$ 1,983,973	\$ 1,802,591	\$ 1,360,173
Contributions in relation to the contractual required contributions	1,983,973	1,802,591	1,360,173
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 224,739,409	\$ 223,647,790	\$ 216,419,381
Contributions as a percentage of covered payroll	0.88%	0.81%	0.63%

**Notes to Required Supplementary Information - OPEB**

**Changes of Assumptions**

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The total OPEB liability as of August 31, 2018 was developed using the roll forward method of the August 31, 2017 valuation.
- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the TOL.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the TOL.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the TOL.
- The discount rate changed from 3.42 percent as of August 31, 2017 to 3.69 percent, as of August 31, 2018. This change lowered the total OPEB liability \$2.3 billion.

**Changes in Benefit Terms**

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

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

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

## **OTHER SUPPLEMENTARY INFORMATION**

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2019**  
**With Actual Totals for 2018**

*Exhibit H-1*  
*Page 1 of 2*

<b>Control Codes</b>		<b>Budgeted Amounts</b>		<b>Actual</b>
		<b>Original</b>	<b>Final Amended</b>	<b>Amounts GAAP Basis</b>
	<b>Revenues</b>			
5700	Local, Intermediate and Out-of-State	\$ 93,006,084	\$ 91,738,478	\$ 92,235,927
5800	State Program Revenues	606,647	581,159	581,159
5020	<b>Total Revenues</b>	<u>93,612,731</u>	<u>92,319,637</u>	<u>92,817,086</u>
	<b>Expenditures</b>			
	<b>Debt Service:</b>			
0071	Principal on Long-Term Debt	61,970,000	61,615,000	61,615,000
0072	Interest on Long-Term Debt	30,850,196	31,413,586	31,457,429
0073	Bond issuance costs and fees	533,000	533,000	122,881
6030	<b>Total Expenditures</b>	<u>93,353,196</u>	<u>93,561,586</u>	<u>93,195,310</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>259,535</u>	<u>(1,241,949)</u>	<u>(378,224)</u>
	<b>Other Financing Sources (Uses)</b>			
7911	Refunding bonds issued	-	-	32,295,000
7915	Transfers in	-	-	-
8940	Payment to Refunded Bond	-	-	(32,295,000)
7080	<b>Total Other Financing Sources and (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	259,535	(1,241,949)	(378,224)
0100	<b>Fund Balance - Beginning</b>	<u>36,976,948</u>	<u>36,976,948</u>	<u>36,976,948</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 37,236,483</u>	<u>\$ 35,734,999</u>	<u>\$ 36,598,724</u>



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2019**  
**With Actual Totals for 2018**

**Exhibit H-1**  
**Page 2 of 2**

<b>Control Codes</b>		<b>Final Budget Positive (Negative)</b>	<b>2018 Actual</b>
	<b>Revenues</b>		
5700	Local, Intermediate and Out-of-State	\$ 497,449	\$ 96,376,971
5800	State Program Revenues	-	626,216
5020	<b>Total Revenues</b>	<u>497,449</u>	<u>97,003,187</u>
	<b>Expenditures</b>		
	<b>Debt Service:</b>		
0071	Principal on Long-Term Debt	-	65,950,000
0072	Interest on Long-Term Debt	(43,843)	30,574,648
0073	Bond issuance costs and fees	410,119	24,996
6030	<b>Total Expenditures</b>	<u>366,276</u>	<u>96,549,644</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>863,725</u>	<u>453,543</u>
	<b>Other Financing Sources (Uses)</b>		
7911	Refunding bonds issued	32,295,000	-
7915	Transfers in	-	17,145
8940	Payment to Refunded Bond	(32,295,000)	-
7080	<b>Total Other Financing Sources and (Uses)</b>	<u>-</u>	<u>17,145</u>
1200	Net Change in Fund Balance	863,725	470,688
0100	<b>Fund Balance - Beginning</b>	<u>-</u>	<u>36,506,260</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 863,725</u>	<u>\$ 36,976,948</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROGRAM BALANCES -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - FOOD SERVICE PROGRAM**  
*For the Fiscal Year Ended June 30, 2019*  
*With Actual Totals for 2018*

*Exhibit H-2*  
*Page 1 of 2*

<b>Data Control Codes</b>		<b>Budgeted Amounts</b>		<b>Actual</b>
		<b>Original</b>	<b>Final Amended</b>	<b>Amounts GAAP Basis</b>
	<b>Revenues</b>			
5700	Local, Intermediate and Out-of-State	1,710,500	1,935,500	\$ 2,222,007
5800	State Program Revenues	100,000	100,000	95,280
5900	Federal Program Revenues	15,580,000	16,105,000	16,088,930
5020	<b>Total Revenues</b>	<u>17,390,500</u>	<u>18,140,500</u>	<u>18,406,217</u>
	<b>Expenditures</b>			
0035	Food Services	16,610,800	17,490,800	16,790,851
0051	Facilities Maintenance and Operations	789,000	859,000	851,751
0052	Security and Monitoring Services	40,350	40,350	30,813
6030	<b>Total Expenditures</b>	<u>17,440,150</u>	<u>18,390,150</u>	<u>17,673,415</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>(49,650)</u>	<u>(249,650)</u>	<u>732,802</u>
	<b>Other Financing Sources (Uses)</b>			
7912	Sale of Real and Personal Property	10,000	10,000	11,651
7910	Other Financing Sources - Transfers in	-	49,470	49,470
7080	<b>Total Other Financing Sources (Uses)</b>	<u>10,000</u>	<u>59,470</u>	<u>61,121</u>
1200	Net Change in Fund Balance	(39,650)	(190,180)	793,923
0100	<b>Fund Balance - Beginning</b>	<u>3,904,958</u>	<u>3,904,958</u>	<u>3,904,958</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 3,865,308</u>	<u>\$ 3,714,778</u>	<u>\$ 4,698,881</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROGRAM BALANCES -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - FOOD SERVICE PROGRAM**  
*For the Fiscal Year Ended June 30, 2019*  
*With Actual Totals for 2018*

**Exhibit H-2**  
**Page 2 of 2**

<b>Data Control Codes</b>		<b>Variance With Final Budget Positive (Negative)</b>	<b>2018 Actual</b>
	<b>Revenues</b>		
5700	Local, Intermediate and Out-of-State	\$ 286,507	\$ 1,639,848
5800	State Program Revenues	(4,720)	100,342
5900	Federal Program Revenues	(16,070)	15,379,997
5020	<b>Total Revenues</b>	<u>265,717</u>	<u>17,120,187</u>
	<b>Expenditures</b>		
0035	Food Services	699,949	15,811,889
0051	Facilities Maintenance and Operations	7,249	721,853
0052	Security and Monitoring Services	9,537	31,782
6030	<b>Total Expenditures</b>	<u>716,735</u>	<u>16,565,524</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>982,452</u>	<u>554,663</u>
	<b>Other Financing Sources (Uses)</b>		
7912	Sale of Real and Personal Property	1,651	9,782
7910	Other Financing Sources - Transfers in	-	-
7080	<b>Total Other Financing Sources (Uses)</b>	<u>1,651</u>	<u>9,782</u>
1200	Net Change in Fund Balance	984,103	564,445
0100	<b>Fund Balance - Beginning</b>	<u>-</u>	<u>3,340,513</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 984,103</u>	<u>\$ 3,904,958</u>



## **FIDUCIARY FUNDS**

### ***Agency Fund***

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

### ***Student Activity Fund***

Accounts for assets held for various student groups throughout the District.

### ***Employee Flex Plan Fund***

Accounts for assets held for the employee's contributions to the District's Flex Plan.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended June 30, 2019**

*Exhibit H-3*

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Student Activities</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,728,611	\$ 3,650,217	\$ 3,583,265	\$ 2,795,563
Other Receivables	36,259	168,792	187,310	17,741
Prepaid items	-	1,690	-	1,690
<b>Total Assets</b>	<b>\$ 2,764,870</b>	<b>\$ 3,820,699</b>	<b>\$ 3,770,575</b>	<b>\$ 2,798,107</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 150,987	\$ 3,902,952	\$ 3,990,948	\$ 62,991
Accrued Wages Payable	14,750	2,555	14,750	2,555
Due to Student Groups	2,599,133	359,241	208,926	2,737,317
<b>Total Liabilities</b>	<b>\$ 2,764,870</b>	<b>\$ 4,264,748</b>	<b>\$ 4,214,624</b>	<b>\$ 2,798,107</b>
<b>Employee Flex Plan</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 278,701	\$ 3,030,348	\$ 2,977,202	\$ 331,847
<b>Total Assets</b>	<b>\$ 278,701</b>	<b>\$ 3,030,348</b>	<b>\$ 2,977,202</b>	<b>\$ 331,847</b>
<b>Liabilities:</b>				
Payroll Deductions and Withholdings Payable	\$ 278,377	\$ 1,425,961	\$ 1,375,684	\$ 328,654
Due to Others	324	3,229	360	3,193
<b>Total Liabilities</b>	<b>\$ 278,701</b>	<b>\$ 1,429,190</b>	<b>\$ 1,376,044</b>	<b>\$ 331,847</b>
<b>Charter Partner</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 799	\$ 178,039	\$ 178,838	\$ -
<b>Total Assets</b>	<b>\$ 799</b>	<b>\$ 178,039</b>	<b>\$ 178,838</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Due to Others	\$ 799	\$ 59,020	\$ 59,020	\$ -
<b>Total Liabilities</b>	<b>\$ 799</b>	<b>\$ 59,020</b>	<b>\$ 59,020</b>	<b>\$ -</b>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,008,111	\$ 6,858,604	\$ 6,739,305	\$ 3,127,410
Other Receivables	36,259	168,792	187,310	17,741
Prepaid items	-	1,690	-	1,690
<b>Total Assets</b>	<b>\$ 3,044,370</b>	<b>\$ 7,029,086</b>	<b>\$ 6,926,615</b>	<b>\$ 3,129,954</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 150,987	\$ 3,902,952	\$ 3,990,948	\$ 62,991
Accrued Wages Payable	14,750	2,555	14,750	2,555
Payroll Deductions and Withholding	278,377	1,425,961	1,375,684	328,654
Due to Student Groups	2,600,256	421,490	268,306	2,740,510
<b>Total Liabilities</b>	<b>\$ 3,044,370</b>	<b>\$ 5,752,958</b>	<b>\$ 5,649,688</b>	<b>\$ 3,129,954</b>

## **REQUIRED TEA SCHEDULE**

Compliance schedules (Exhibit J-1) is required by the Texas Education Agency and is not a required disclosure in the Comprehensive Annual Financial Report.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
*For the Year Ended June 30, 2019*

*Exhibit J-1*  
*Page 1 of 2*

Fiscal Year	Tax Year	1	2	3		10	20
		Tax Rates		Assessed/Appraised Value for School Tax Purposes		Beginning Balance 7/1/18	Current Year's Total Levy
		Maintenance	Debt Service	Total			
2010 and prior	2009 and prior	Various	Various	Various	Various	\$ 1,263,395	\$ -
2011	2010	1.0900	0.3045	1.3945	\$ 17,096,512,944	298,314	-
2012	2011	1.0900	0.3045	1.3945	17,596,164,360	316,388	-
2013	2012	1.0900	0.3045	1.3945	18,628,331,804	428,013	-
2014	2013	1.0900	0.3045	1.3945	20,421,592,686	487,465	-
2015	2014	1.0900	0.3045	1.3945	22,906,404,805	566,512	-
2016	2015	1.0900	0.3045	1.3945	26,149,492,965	679,054	-
2017	2016	1.0900	0.3045	1.3945	28,777,091,646	1,040,459	-
2018	2017	1.0900	0.3045	1.3945	29,887,294,371	4,729,711	-
2019	2018	1.1100	0.2845	1.3945	30,702,462,675	-	428,145,842
<b>1000 Totals</b>						<u>\$ 9,809,311</u>	<u>\$ 428,145,842</u>
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code (Function 97)						<u>\$ -</u>	<u>\$ -</u>



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
For the Year Ended June 30, 2019

*Exhibit J-1*  
Page 2 of 2

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>31 Maintenance and Operations Collections</u>	<u>32 Debt Service Collections</u>	<u>33 Total Collections</u>	<u>40 Entire Year's Adjustments</u>	<u>50 Ending Balance 6/30/19</u>
2010 and prior	2009 and prior	\$ 108,399	\$ 17,104	\$ 125,503	\$ (220,551)	\$ 917,341
2011	2010	16,367	4,572	20,939	(138)	277,237
2012	2011	38,588	10,780	49,368	(633)	266,387
2013	2012	35,606	9,952	45,558	(3,907)	378,548
2014	2013	51,054	14,258	65,312	5,209	427,362
2015	2014	86,899	24,423	111,322	7,520	462,710
2016	2015	122,205	34,088	156,293	28,406	551,167
2017	2016	(199,545)	(54,037)	(253,582)	(578,544)	715,497
2018	2017	(1,538,396)	(193,365)	(1,731,761)	(5,262,235)	1,199,237
2019	2018	<u>331,854,491</u>	<u>90,915,222</u>	<u>422,769,713</u>	<u>-</u>	<u>5,376,129</u>
1000 Totals		<u>\$ 330,575,668</u>	<u>\$ 90,782,997</u>	<u>\$ 421,358,665</u>	<u>\$ (6,024,873)</u>	<u>10,571,615</u>
				Penalty and interest receivable on taxes		<u>4,805,335</u>
				Total taxes receivable per Exhibit C-1		<u>\$ 15,376,950</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## **STATISTICAL SECTION**

(Unaudited)

The statistical section of the Spring Branch 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:

### **Financial Trends**

These schedules contain trend information to show how the District's financial performance and position have changed over time.

### **Revenue Capacity**

These schedules contain information to help assess the factors affecting the District's most significant local revenue source, the property tax.

### **Debt Capacity**

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**

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**

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.



## **Spring Branch Independent School District**

### **General Information Regarding the District**

(Unaudited)

#### **General**

Spring Branch Independent School District, encompassing about 44 square miles, is located in Harris County, a Gulf Coast County in Southeast Texas. The District is located approximately 10 miles from downtown Houston and includes part of the City of Houston and the incorporated villages of Bunker Hill, Hedwig, Hilshire, Hunters Creek, Piney Point and Spring Valley. Interstate Highway 10 (I.H. 10) runs east-west through the center of the District and Interstate 610, the inner loop, forms the District's eastern boundary.

#### **Education**

The Spring Branch Independent School District serves approximately 35,000 students in 25 elementary, 7 traditional middle, 4 traditional high, 2 charter, 5 pre-kindergarten and 3 special campuses. The District's schools are well-known for academics and an outstanding college preparatory program.

#### **Economy**

Harris County and the Houston Metropolitan area comprise a leading region of business development in the nation. The economy is based on petrochemicals, tourism, shipping, refining, chemicals, space exploration, medical research, manufacturing and education. The West Houston area, of which the District is a major component, is recognized as one of the most active centers of business and industrial development in the region. Industry in the District includes manufacturers of oil field machinery and equipment, fabricated metals, lumber, plastic and rubber products, tools and nonelectric machinery.

Numerous shopping centers, malls, other retail establishments and a wide variety of service oriented businesses are located within the District, and offer a complement to industry within the District.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**Table 1**  
**Page 1 of 2**

	<u>2019</u>	<u>2018**</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Governmental Activities:</b>					
Net investment in Capital Assets	\$ 181,212,480	\$ 144,407,966	\$ 102,444,943	\$ 69,514,589	\$ 48,556,852
Restricted	40,362,752	41,203,585	39,416,425	35,418,382	34,427,839
Unrestricted	<u>(97,298,339)</u>	<u>(133,796,297)</u>	<u>30,193,017</u>	<u>18,268,978</u>	<u>20,625,708</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 124,276,893</u>	<u>\$ 51,815,254</u>	<u>\$ 172,054,385</u>	<u>\$ 123,201,949</u>	<u>\$ 103,610,399</u>
<b>Business-type Activities:</b>					
Net investment in Capital Assets	\$ 114,973	\$ 131,178	\$ 178,044	\$ 210,747	\$ 232,945
Unrestricted	<u>2,723,990</u>	<u>2,061,598</u>	<u>1,682,378</u>	<u>1,194,419</u>	<u>990,458</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 2,838,963</u>	<u>\$ 2,192,776</u>	<u>\$ 1,860,422</u>	<u>\$ 1,405,166</u>	<u>\$ 1,223,403</u>
<b>Primary Government:</b>					
Net investment in Capital Assets	\$ 181,327,453	\$ 144,539,144	\$ 102,622,987	\$ 69,725,336	\$ 48,789,797
Restricted	40,362,752	41,203,585	39,416,425	35,418,382	34,427,839
Unrestricted	<u>(94,574,349)</u>	<u>(131,734,699)</u>	<u>31,875,395</u>	<u>19,463,397</u>	<u>21,616,166</u>
<b>Total Primary Government Net Position</b>	<u>\$ 127,115,856</u>	<u>\$ 54,008,030</u>	<u>\$ 173,914,807</u>	<u>\$ 124,607,115</u>	<u>\$ 104,833,802</u>

\* As restated for implementation of GASB 68 in Fiscal Year 2015, the District did not restate prior to 2014.

\*\* Includes implementation of GASB 75 in Fiscal Year 2019, the District did not restate prior periods.

**Source: The Statement of Net Position for Spring Branch Independent School District**

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**Table 1**  
**Page 2 of 2**

	<u>2014*</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities:</b>					
Net investment in Capital Assets	\$ 31,340,087	\$ 39,027,408	\$ 40,642,961	\$ 51,468,759	\$ 51,888,293
Restricted	35,185,387	29,177,399	26,639,052	18,331,462	17,731,468
Unrestricted	<u>12,023,486</u>	<u>56,313,659</u>	<u>62,589,840</u>	<u>59,650,441</u>	<u>59,686,394</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 78,548,960</u>	<u>\$ 124,518,466</u>	<u>\$ 129,871,853</u>	<u>\$ 129,450,662</u>	<u>\$ 129,306,155</u>
<b>Business-type Activities:</b>					
Net investment in Capital Assets	\$ 176,312	\$ 127,443	\$ 65,149	\$ 76,287	\$ 87,788
Unrestricted	<u>1,032,359</u>	<u>1,011,532</u>	<u>1,379,690</u>	<u>1,152,713</u>	<u>625,149</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 1,208,671</u>	<u>\$ 1,138,975</u>	<u>\$ 1,444,839</u>	<u>\$ 1,229,000</u>	<u>\$ 712,937</u>
<b>Primary Government:</b>					
Net investment in Capital Assets	\$ 31,516,399	\$ 39,154,851	\$ 40,708,110	\$ 51,545,046	\$ 51,976,081
Restricted	35,185,387	29,177,399	26,639,052	18,331,462	17,731,468
Unrestricted	<u>13,055,845</u>	<u>57,325,191</u>	<u>63,969,530</u>	<u>60,803,154</u>	<u>60,311,543</u>
<b>Total Primary Government Net Position</b>	<u>\$ 79,757,631</u>	<u>\$ 125,657,441</u>	<u>\$ 131,316,692</u>	<u>\$ 130,679,662</u>	<u>\$ 130,019,092</u>

\* As restated for implementation of GASB 68 in Fiscal Year 2015, the District did not restate prior to 2014.

\*\* Includes implementation of GASB 75 in Fiscal Year 2019, the District did not restate prior periods.

*Source: The Statement of Net Position for Spring Branch Independent School District*

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

*Table 2*  
*Page 1 of 4*

	2019	2018	2017	2016	2015
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Instruction	\$ 234,722,680	\$ 149,201,257	\$ 217,226,205	\$ 222,799,157	\$ 197,208,116
Instructional Resources and Media Services	3,897,560	2,461,202	3,620,703	3,720,503	3,657,049
Curriculum and Instructional Staff Development	10,395,067	7,657,095	9,113,423	8,517,401	7,482,753
Instructional Leadership	6,941,358	4,733,573	5,101,858	5,290,951	4,103,909
School Leadership	21,475,508	13,637,365	20,535,843	20,409,339	19,705,964
Guidance, Counseling, and Evaluation Services	16,858,291	10,954,681	15,111,937	14,583,275	14,245,108
Social Work Services	143,425	137,913	161,589	172,201	94,149
Health Services	4,177,526	2,566,683	4,030,789	3,784,085	3,548,314
Student Transportation	10,801,503	7,725,356	9,936,767	9,561,908	9,045,577
Food Services	17,601,854	13,974,314	17,528,355	17,848,073	16,419,940
Cocurricular/Extracurricular Activities	8,229,674	6,477,887	7,582,955	7,332,319	7,122,368
General Administration	12,886,945	7,215,439	9,504,505	9,151,327	7,788,096
Plant Maintenance and Operations	31,416,621	27,151,071	30,801,530	30,387,638	29,605,740
Security and Monitoring Services	4,768,930	2,672,749	3,926,287	3,708,907	3,457,287
Data Processing Services	10,542,995	7,151,303	8,817,215	11,220,442	8,504,287
Community Services	2,393,819	1,165,671	2,420,472	4,891,557	4,310,416
Interest on Long-term Debt	24,697,652	24,731,864	26,390,567	28,193,805	32,434,481
Bond Issuance Costs and Fees	703,044	879,365	1,249,427	1,079,090	1,366,830
Facilities Repairs and Maintenance	10,896,450	2,337,289	6,014,174	5,514,826	3,798,885
Purchase of WADA	84,582,729	75,118,321	51,059,269	29,649,359	8,199,477
Payments related to Shared Service Arrangements	463,835	475,908	419,250	312,788	378,141
Payments to JJAEP	-	-	-	-	-
Other Intergovernmental Charges	3,195,108	3,058,519	2,870,107	2,647,310	2,359,997
<b>Total Governmental Activities Expenses</b>	<b>521,792,574</b>	<b>371,484,825</b>	<b>453,423,227</b>	<b>440,776,261</b>	<b>384,836,884</b>
<b>Business-type Activities:</b>					
Athletic Rentals/Concessions	423,420	561,370	753,147	958,611	1,004,163
After School Programs	-	-	-	-	69,331
Employee Childcare	1,369,333	1,263,112	1,363,637	1,635,564	1,629,226
Community Education	235,839	220,866	239,448	309,211	377,020
Fine Arts	120,439	129,529	115,441	137,140	138,667
Facility Rentals	584,159	568,117	483,485	76,330	50,383
Summer School	331,579	279,700	336,090	300,660	388,620
Other	35,213	66,380	60,662	-	-
<b>Total Business-type Activities Expenses</b>	<b>3,099,982</b>	<b>3,089,074</b>	<b>3,351,910</b>	<b>3,417,516</b>	<b>3,657,410</b>
<b>Total Primary Government Expenses</b>	<b>524,892,556</b>	<b>374,573,899</b>	<b>456,775,137</b>	<b>444,193,777</b>	<b>388,494,294</b>



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

*Table 2*  
*Page 2 of 4*

	2014	2013	2012	2011
<b>Expenses</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 199,239,989	\$ 183,750,501	\$ 177,338,029	\$ 201,207,980
Instructional Resources and Media Services	3,544,567	3,653,392	4,275,895	4,387,542
Curriculum and Instructional Staff Development	7,912,503	8,100,879	7,401,464	7,589,849
Instructional Leadership	3,226,808	3,624,133	3,730,097	4,189,885
School Leadership	19,099,504	18,333,639	17,937,787	18,442,088
Guidance, Counseling, and Evaluation Services	13,143,594	11,728,287	11,252,726	12,680,996
Social Work Services	96,337	96,369	116,817	277,370
Health Services	3,411,881	3,286,152	3,383,876	3,365,807
Student Transportation	8,763,517	8,521,668	7,811,242	7,990,151
Food Services	16,287,375	15,555,202	15,035,744	15,411,567
Cocurricular/Extracurricular Activities	6,724,772	6,294,896	4,983,976	5,234,157
General Administration	7,534,880	6,897,517	6,654,497	6,422,833
Plant Maintenance and Operations	29,776,709	30,409,741	27,435,296	27,693,563
Security and Monitoring Services	3,234,400	3,198,976	3,128,068	3,294,200
Data Processing Services	8,119,198	6,431,531	7,105,270	6,289,021
Community Services	4,310,606	4,498,122	4,186,329	1,936,180
Interest on Long-term Debt	35,188,228	34,343,484	34,510,526	31,348,197
Bond Issuance Costs and Fees	725,628	728,367	820,965	435,636
Facilities Repairs and Maintenance	5,838,853	4,748,351	8,933,935	5,123,708
Purchase of WADA	-	-	6,900,318	2,657,017
Payments related to Shared Service Arrangements	346,466	285,156	239,935	388,064
Payments to JJAEP	-	-	-	83,160
Other Intergovernmental Charges	2,088,199	1,042,363	2,988,000	2,002,289
<b>Total Governmental Activities Expenses</b>	<b>378,614,014</b>	<b>355,528,726</b>	<b>356,170,792</b>	<b>368,451,260</b>
<b>Business-type Activities:</b>				
Athletic Rentals/Concessions	1,185,289	923,305	641,512	725,486
After School Programs	73,027	90,002	90,002	216,640
Employee Childcare	1,581,070	1,592,635	1,592,635	1,779,049
Community Education	343,753	325,576	325,576	436,089
Fine Arts	158,233	137,436	137,436	100,013
Facility Rentals	46,437	57,911	57,911	49,858
Summer School	287,325	232,231	232,231	352,134
Other	-	42,617	42,617	21,159
<b>Total Business-type Activities Expenses</b>	<b>3,675,134</b>	<b>3,401,713</b>	<b>3,119,920</b>	<b>3,680,428</b>
<b>Total Primary Government Expenses</b>	<b>382,289,148</b>	<b>358,930,439</b>	<b>359,290,712</b>	<b>372,131,688</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

*Table 2*  
*Page 3 of 4*

	2019	2018	2017	2016	2015
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	\$ 2,663,683	\$ 2,593,049	\$ 2,090,639	\$ 2,016,736	\$ 2,051,797
Food Services	2,136,694	1,605,942	2,532,920	2,583,162	2,638,425
Cocurricular/Extracurricular Activities	420,087	372,481	491,668	470,036	452,040
Other Activities	326,168	397,362	335,580	599,271	458,925
<b>Operating Grants and Contributions</b>	83,650,278	8,318,950	69,635,811	74,156,964	66,824,342
<b>Total Governmental Activities Program Revenues</b>	89,196,910	13,287,784	75,086,618	79,826,169	72,425,529
<b>Business-type Activities:</b>					
<b>Charges for Services:</b>					
Athletic Rentals/Concessions	778,353	766,874	833,989	1,009,738	847,067
After School Programs	-	-	-	-	69,910
Employee Childcare	1,517,776	1,352,288	1,401,180	1,642,583	1,712,809
Community Education	120,788	141,584	202,130	228,618	336,324
Fine Arts	124,245	125,232	116,046	121,010	120,290
Facility Rentals	918,471	907,042	888,125	205,453	92,193
Summer School	232,173	211,077	298,846	301,236	419,530
Other	468	4,200	58,635	72,391	72,391
<b>Total Business-type Activities Program Revenues</b>	3,692,274	3,508,297	3,798,951	3,581,029	3,670,514
<b>Total Primary Government Program Revenues</b>	92,889,184	16,796,081	78,885,569	83,407,198	76,096,043
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(432,595,664)	(358,197,041)	(378,336,609)	(360,950,092)	(312,411,355)
Business-type Activities	592,292	419,223	447,041	163,513	13,104
<b>Total Primary Government Net (Expense)/Revenue</b>	(432,003,372)	(357,777,818)	(377,889,568)	(360,786,579)	(312,398,251)
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	333,684,809	316,739,144	304,304,218	279,933,694	245,907,769
Property Taxes, Levied for Debt Service	91,540,055	94,916,596	92,453,632	82,966,419	72,539,219
Investment Earnings	8,950,494	3,369,856	1,224,540	1,404,857	805,188
State Aid - Formula Grants - Unrestricted	68,724,464	20,397,035	25,863,767	12,443,554	15,862,285
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-
Miscellaneous	2,153,586	2,106,092	3,342,888	3,808,118	2,358,333
Transfers	3,895	108,881	-	(15,000)	-
<b>Total Governmental Activities</b>	505,057,303	437,637,604	427,189,045	380,541,642	337,472,794
<b>Business-type Activities:</b>					
Investment Earnings	57,790	22,012	8,215	3,250	1,628
Transfers	(3,895)	(108,881)	-	15,000	-
<b>Total Business-type Activities</b>	53,895	(86,869)	8,215	18,250	1,628
<b>Total Primary Government</b>	\$ 505,111,198	\$ 437,550,735	\$ 427,197,260	\$ 380,559,892	\$ 337,474,422
<b>Change in Net Position</b>					
Governmental Activities	\$ 72,461,639	\$ 79,440,563	\$ 48,852,436	\$ 19,591,550	\$ 25,061,439
Business-type Activities	646,187	332,354	455,256	181,763	14,732
<b>Total Primary Government</b>	\$ 73,107,826	\$ 79,772,917	\$ 49,307,692	\$ 19,773,313	\$ 25,076,171

Source: The Statement of Activities for Spring Branch Independent School District

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

*Table 2*  
*Page 4 of 4*

	2014	2013	2012	2011	2010
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	\$ 1,830,851	\$ 1,912,510	\$ 1,409,694	\$ 1,287,699	\$ 1,467,644
Food Services	2,911,703	3,039,522	3,276,516	3,315,561	3,570,466
Cocurricular/Extracurricular Activities	434,228	418,223	462,041	373,420	329,822
Other Activities	318,651	278,731	375,516	337,093	509,814
<b>Operating Grants and Contributions</b>	<u>62,114,750</u>	<u>58,398,780</u>	<u>60,574,226</u>	<u>72,320,049</u>	<u>73,233,585</u>
<b>Total Governmental Activities Program Revenues</b>	<u>67,610,183</u>	<u>64,047,766</u>	<u>66,097,993</u>	<u>77,633,822</u>	<u>79,111,331</u>
<b>Business-type Activities:</b>					
<b>Charges for Services:</b>					
Athletic Rentals/Concessions	1,001,533	666,031	656,305	786,610	525,572
After School Programs	79,330	91,915	91,915	200,170	200,170
Employee Childcare	1,727,317	1,594,438	1,594,438	1,663,200	1,663,200
Community Education	343,947	357,980	357,980	406,384	406,384
Fine Arts	139,471	137,594	137,594	108,209	108,209
Facility Rentals	92,193	91,393	91,393	90,241	90,241
Summer School	287,328	289,164	289,164	276,486	276,486
Other	72,391	115,528	115,528	55,480	55,480
<b>Total Business-type Activities Program Revenues</b>	<u>3,743,510</u>	<u>3,344,043</u>	<u>3,334,317</u>	<u>3,586,780</u>	<u>3,325,742</u>
<b>Total Primary Government Program Revenues</b>	<u>71,353,693</u>	<u>67,391,809</u>	<u>69,432,310</u>	<u>81,220,602</u>	<u>82,437,073</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(311,003,831)	(291,480,960)	(290,072,799)	(290,817,438)	(275,051,412)
Business-type Activities	68,376	(57,670)	214,397	(93,648)	(242,468)
<b>Total Primary Government Net (Expense)/Revenue</b>	<u>(310,935,455)</u>	<u>(291,538,630)</u>	<u>(289,858,402)</u>	<u>(290,911,086)</u>	<u>(275,293,880)</u>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	219,095,170	200,319,455	189,162,413	183,535,631	186,369,188
Property Taxes, Levied for Debt Service	64,498,113	59,498,741	56,071,281	54,176,940	55,814,168
Investment Earnings	533,462	713,180	868,755	815,827	1,500,688
State Aid - Formula Grants - Unrestricted	25,180,349	27,257,873	42,506,183	46,980,742	43,702,903
Grants and Contributions Not Restricted to Specific Programs	70,640	-	-	-	-
Miscellaneous	2,258,065	1,941,416	1,885,358	4,561,348	1,635,569
Transfers	-	250,000	-	(608,543)	-
<b>Total Governmental Activities</b>	<u>311,635,799</u>	<u>289,980,665</u>	<u>290,493,990</u>	<u>289,461,945</u>	<u>289,022,516</u>
<b>Business-type Activities:</b>					
Investment Earnings	1,320	1,806	1,442	1,168	1,503
Transfers	-	(250,000)	-	608,543	-
<b>Total Business-type Activities</b>	<u>1,320</u>	<u>(248,194)</u>	<u>1,442</u>	<u>609,711</u>	<u>1,503</u>
<b>Total Primary Government</b>	<u>\$ 311,637,119</u>	<u>\$ 289,732,471</u>	<u>\$ 290,495,432</u>	<u>\$ 290,071,656</u>	<u>\$ 289,024,019</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ 631,968	\$ (1,500,295)	\$ 421,191	\$ (1,355,493)	\$ 13,971,104
Business-type Activities	69,696	(305,864)	215,839	516,063	(240,965)
<b>Total Primary Government</b>	<u>\$ 701,664</u>	<u>\$ (1,806,159)</u>	<u>\$ 637,030</u>	<u>\$ (839,430)</u>	<u>\$ 13,730,139</u>

Source: The Statement of Activities for Spring Branch Independent School District

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

*Table 3*  
*Page 1 of 2*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	2,688,471	2,883,058	2,456,182	2,552,419	2,229,910
Assigned	12,205,335	20,834,023	20,834,023	20,834,022	23,332,944
Unassigned	114,995,420	59,380,209	62,470,752	42,833,493	37,229,167
<b>Total General Fund</b>	<u>\$ 129,889,226</u>	<u>\$ 83,097,290</u>	<u>\$ 85,760,957</u>	<u>\$ 66,219,934</u>	<u>\$ 62,792,021</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:					
Capital Projects Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Non-spendable, Reported in:					
Special Revenue Funds	387,793	336,758	175,058	148,550	164,932
Capital Projects Funds	47,484	-	-	-	-
Restricted, Reported in:					
Special Revenue Funds	13,943,396	13,637,011	12,477,094	10,606,545	17,293,713
Debt Service Fund	36,598,724	36,976,948	36,506,260	36,767,956	32,256,942
Capital Projects Funds	146,502,610	170,940,126	34,651,372	60,015,777	99,784,699
Committed, Reported in:					
Special Revenue Funds	1,396,610	1,337,627	1,163,506	1,068,571	939,615
<b>Total All Other Governmental Funds</b>	<u>\$ 198,876,617</u>	<u>\$ 223,228,470</u>	<u>\$ 84,973,290</u>	<u>\$ 108,607,399</u>	<u>\$ 150,439,901</u>

**Note:** This statement was updated on June 30, 2011 to accommodate the changes in Fund Balance classification per GASB 54.

**Source:** The Balance Sheet - Governmental Funds for Spring Branch Independent School District

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**Table 3**  
**Page 2 of 2**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 2,784,089
Unreserved	-	-	-	-	64,283,417
Nonspendable	3,104,807	4,886,501	4,413,621	3,435,791	-
Assigned	23,005,277	18,448,202	25,595,778	27,423,625	-
Unassigned	32,383,083	30,798,942	32,513,688	32,055,868	-
<b>Total General Fund</b>	<u>\$ 58,493,167</u>	<u>\$ 54,133,645</u>	<u>\$ 62,523,087</u>	<u>\$ 62,915,284</u>	<u>\$ 67,067,506</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 99,632,905
Unreserved, Reported in:					
Capital Projects Funds	-	-	-	-	97,539,935
Special Revenue Funds	-	-	-	-	1,478,813
Non-spendable, Reported in:					
Special Revenue Funds	232,365	256,839	266,615	274,256	-
Capital Projects Funds	-	-	-	-	-
Restricted, Reported in:					
Special Revenue Funds	14,721,636	13,345,058	10,464,804	9,424,062	-
Debt Service Fund	33,926,414	29,822,310	29,791,979	21,982,200	-
Capital Projects Funds	99,592,990	63,190,878	124,944,742	145,114,405	-
Committed, Reported in:					
Special Revenue Funds	891,434	847,600	905,297	791,976	-
<b>Total All Other Governmental Funds</b>	<u>\$ 149,364,839</u>	<u>\$ 107,462,685</u>	<u>\$ 166,373,437</u>	<u>\$ 177,586,899</u>	<u>\$ 198,651,653</u>

**Note:** This statement was updated on June 30, 2011 to accommodate the changes in Fund Balance classification per GASB 54.

**Source:** The Balance Sheet - Governmental Funds for Spring Branch Independent School District

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**Table 4**  
**Page 1 of 4**

	2019	2018	2017	2016	2015
<b>Revenues</b>					
Local, Intermediate, and Out-of-State	\$ 445,283,613	\$ 427,274,546	\$ 412,359,365	\$ 374,574,649	\$ 333,343,368
State Programs	85,838,346	41,390,909	43,327,729	31,638,445	31,557,522
Federal Programs	51,698,340	45,304,744	44,419,757	45,213,192	44,868,724
<b>Total Revenues</b>	<b>582,820,299</b>	<b>513,970,199</b>	<b>500,106,851</b>	<b>451,426,286</b>	<b>409,769,614</b>
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	199,037,115	195,594,272	189,890,757	189,965,945	181,897,891
Instructional Resources and Media Services	3,672,277	3,593,594	3,526,116	3,624,098	3,679,025
Curriculum and Instructional Staff Development	9,884,338	9,745,723	8,875,891	8,261,645	7,631,740
Instructional Leadership	6,656,169	6,561,751	4,979,322	5,178,684	4,116,595
School Leadership	20,219,861	20,153,963	20,068,272	20,044,199	19,567,055
Guidance, Counseling, and Evaluation Services	16,011,903	14,950,464	14,776,624	14,343,673	14,161,861
Social Work Services	135,100	189,913	159,707	171,325	99,324
Health Services	3,918,229	3,854,994	3,943,138	3,688,453	3,605,544
Student Transportation	11,573,515	8,891,976	8,433,770	8,101,827	7,856,932
Food Services	16,819,281	15,829,535	17,542,765	17,486,097	17,276,176
Cocurricular/Extracurricular Activities	6,252,150	6,345,894	5,837,853	5,591,591	5,706,472
General Administration	12,425,527	9,129,043	9,452,811	9,000,550	7,713,782
Plant Maintenance and Operations	30,487,464	31,549,665	30,358,633	30,436,189	29,248,155
Security and Monitoring Services	4,756,041	3,819,229	3,811,672	3,539,830	3,729,648
Data Processing Services	8,834,758	7,335,860	7,445,706	9,708,220	7,283,712
Community Services	2,220,441	2,028,972	2,337,115	4,688,707	4,355,275
Principal on Long-term Debt	61,895,893	66,225,344	58,784,906	47,529,575	33,742,051
Interest on Long-term Debt	31,465,236	30,588,005	31,928,976	31,951,216	35,914,471
Other Debt Service Expenditures	134,131	1,098,040	2,238,892	1,615,608	1,080,591
Facilities Acquisition and Construction	25,916,253	9,505,604	25,681,202	44,057,147	34,976,755
Contracted Instructional Services	84,582,729	75,118,321	51,059,269	29,649,359	8,199,477
Payments related to Shared Service Arrangements	463,835	475,908	419,250	312,788	378,141
Payments to Juvenile Justice Alt. Ed. Prgm.	-	-	-	-	-
Other Intergovernmental Charges	3,195,108	3,058,519	2,870,107	2,647,310	2,359,997
<b>Total Expenditures</b>	<b>560,557,354</b>	<b>525,644,589</b>	<b>504,422,754</b>	<b>491,594,036</b>	<b>434,580,670</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,262,945</u>	<u>(11,674,390)</u>	<u>(4,315,903)</u>	<u>(40,167,750)</u>	<u>(24,811,056)</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**Table 4**  
**Page 2 of 4**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>					
Local, Intermediate, and Out-of-State	\$ 296,858,984	\$ 271,546,150	\$ 256,909,683	\$ 252,491,199	\$ 253,981,109
State Programs	40,550,933	40,161,499	55,973,177	63,322,358	60,814,817
Federal Programs	43,242,824	41,761,766	44,151,738	52,253,146	52,486,989
<b>Total Revenues</b>	<u>380,652,741</u>	<u>353,469,415</u>	<u>357,034,598</u>	<u>368,066,703</u>	<u>367,282,915</u>
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	175,826,794	166,462,318	162,655,760	181,209,645	184,796,121
Instructional Resources and Media Services	3,522,081	3,625,706	4,276,737	4,445,006	3,496,617
Curriculum and Instructional Staff Development	7,920,098	8,119,977	7,511,768	7,597,563	7,287,043
Instructional Leadership	3,275,003	3,636,186	3,727,104	4,241,091	4,647,966
School Leadership	19,098,113	18,409,260	17,953,805	18,572,888	18,488,195
Guidance, Counseling, and Evaluation Services	13,149,995	11,707,677	11,275,372	12,740,481	12,418,147
Social Work Services	96,211	96,353	116,027	277,839	426,309
Health Services	3,407,619	3,286,091	3,387,179	3,383,474	3,370,129
Student Transportation	7,773,279	8,612,641	7,839,289	7,078,622	8,245,515
Food Services	16,044,845	15,363,078	14,875,495	15,863,594	14,942,825
Cocurricular/Extracurricular Activities	5,502,637	5,029,405	4,873,901	5,268,800	4,847,878
General Administration	7,473,402	6,757,554	6,798,880	6,493,670	6,987,967
Plant Maintenance and Operations	29,275,234	30,553,170	27,481,186	27,642,407	27,210,044
Security and Monitoring Services	3,161,314	3,134,772	3,029,380	3,298,378	3,356,088
Data Processing Services	7,045,325	6,907,464	7,077,192	6,337,152	8,686,842
Community Services	4,298,963	4,507,100	4,194,246	1,977,035	2,061,809
Principal on Long-term Debt	23,590,671	24,333,071	19,979,158	24,106,120	29,254,512
Interest on Long-term Debt	37,671,807	38,060,027	39,402,477	31,900,415	27,347,328
Other Debt Service Expenditures	416,706	21,161	194,030	875,093	945,909
Facilities Acquisition and Construction	26,872,674	61,124,859	92,357,980	128,448,076	129,186,117
Contracted Instructional Services	-	-	6,900,318	2,657,017	-
Payments related to Shared Service Arrangements	346,466	285,156	239,935	388,064	382,265
Payments to Juvenile Justice Alt. Ed. Prgm.	-	-	-	83,160	75,600
Other Intergovernmental Charges	2,088,199	1,042,363	2,988,000	2,002,289	1,478,151
<b>Total Expenditures</b>	<u>397,857,436</u>	<u>421,075,389</u>	<u>449,135,219</u>	<u>496,887,879</u>	<u>499,939,377</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,204,695)</u>	<u>(67,605,974)</u>	<u>(92,100,621)</u>	<u>(128,821,176)</u>	<u>(132,656,462)</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**Table 4**  
**Page 3 of 4**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Other Financing Sources (Uses)</b>					
Refunding Bonds Issued	\$ 32,295,000	\$ -	\$ 51,595,000	\$ 219,345,000	\$ 116,510,000
Issuance of Capital Related Debt (Regular Bonds)	-	132,345,000	-	-	31,390,000
Premium/Discount from Issuance of Bonds	-	14,734,693	1,563,309	30,040,499	13,045,954
Sale of Real and Personal Property	173,243	77,329	54,508	166,962	94,461
Capital Lease Proceeds	-	-	-	-	1,500,093
Transfers In	1,612,645	126,026	77,341	-	72,290
Transfers Out	(1,608,750)	(17,145)	(77,341)	-	(1,491,174)
Payment to Refunded Bond Escrow Agent	<u>(32,295,000)</u>	<u>-</u>	<u>(52,990,000)</u>	<u>(247,789,300)</u>	<u>(130,936,563)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>177,138</u>	<u>147,265,903</u>	<u>222,817</u>	<u>1,763,161</u>	<u>30,185,061</u>
 Net Change in Fund Balances	 <u>\$ 22,440,083</u>	 <u>\$ 135,591,513</u>	 <u>\$ (4,093,086)</u>	 <u>\$ (38,404,589)</u>	 <u>\$ 5,374,005</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 17.25%	 18.72%	 19.54%	 17.32%	 16.86%

**Note:** Significant negative changes in fund balance are generally associated with facilities, acquisition and construction projects.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**Table 4**  
**Page 4 of 4**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Other Financing Sources (Uses)</b>					
Refunding Bonds Issued	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of Capital Related Debt (Regular Bonds)	60,990,000	-	75,000,000	137,910,000	123,805,000
Premium/Discount from Issuance of Bonds	2,315,790	-	5,328,914	10,038,466	7,944,494
Sale of Real and Personal Property	118,887	55,780	135,775	133,137	53,008
Capital Lease Proceeds	-	-	-	-	-
Transfers In	41,605	250,000	2,464,112	347,922	3,578,451
Transfers Out	-	-	(2,433,839)	(908,563)	(3,578,451)
Payment to Refunded Bond Escrow Agent	-	-	-	(45,416,762)	-
<b>Total Other Financing Sources (Uses)</b>	<u>63,466,282</u>	<u>305,780</u>	<u>80,494,962</u>	<u>102,104,200</u>	<u>131,802,502</u>
 Net Change in Fund Balances	 <u>\$ 46,261,587</u>	 <u>\$ (67,300,194)</u>	 <u>\$ (11,605,659)</u>	 <u>\$ (26,716,976)</u>	 <u>\$ (853,960)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 18.15%	 18.62%	 18.27%	 15.21%	 12.50%

**Note:** Significant negative changes in fund balance are generally associated with facilities, acquisition and construction projects.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

*Table 5*

<b>Fiscal Year Ended June 30,</b>	<b>Appraised Value</b>		<b>Less: Exemptions</b>	<b>Taxable Assessed Value</b>	<b>Total Direct Rate (1)</b>
	<b>Real Property Value</b>	<b>Personal Property Value</b>			
2019	\$ 35,904,928,872	\$ 4,934,699,483	\$ 8,178,896,843	\$ 32,660,731,512	\$ 1.3945
2018	35,266,396,044	4,479,338,152	7,864,212,054	31,881,522,142	1.3945
2017	33,526,434,169	4,910,541,251	7,815,108,164	30,621,867,256	1.3945
2016	32,575,143,564	2,373,871,377	7,249,268,469	27,699,746,472	1.3945
2015	28,167,826,641	2,212,613,252	6,176,359,821	24,204,080,072	1.3945
2014	25,212,260,439	2,154,708,573	5,833,418,802	21,533,550,210	1.3945
2013	23,401,710,061	1,888,419,343	5,618,449,625	19,671,679,779	1.3945
2012	22,419,960,609	1,807,332,828	5,557,144,928	18,670,148,509	1.3945
2011	21,763,576,757	1,817,303,004	5,414,045,696	18,166,834,065	1.3945
2010	22,071,628,367	1,967,561,359	5,511,774,490	18,527,415,236	1.3945

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

Source: Harris County Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority. Appraised value, which includes frozen tax levies less exemptions equals taxable assessed value.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

*Table 6*  
*Page 1 of 2*

<b>Taxing Authority</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b><i>Overlapping Rates:</i></b>					
Bunker Hill Village, City of	\$ 0.2770	\$ 0.2770	\$ 0.2770	\$ 0.2779	\$ 0.2829
Harris County *	0.4641	0.4611	0.4634	0.4654	0.4659
Hedwig Village, City of	0.3067	0.2719	0.2225	0.2103	0.1964
Hilshire Village, City of	0.5684	0.5022	0.4823	0.4881	0.5334
Houston, City of	0.5883	0.5842	0.5864	0.6011	0.6311
Hunters Creek Village, City of	0.1841	0.1841	0.1841	0.1841	0.1841
Memorial Village Water Authority	0.0275	0.0275	0.0280	0.0304	0.0346
Piney Point Village, City of	0.2551	0.2551	0.2551	0.2551	0.2551
Spring Valley, City of	0.4300	0.4335	0.4335	0.4500	0.4878
<b>Total</b>	<b>\$ 3.1012</b>	<b>\$ 2.9966</b>	<b>\$ 2.9323</b>	<b>\$ 2.9624</b>	<b>\$ 3.0713</b>
<b><i>District Direct Rates:</i></b>					
Maintenance & Operations	\$ 1.1100	\$ 1.0900	\$ 1.0900	\$ 1.0900	\$ 1.0900
Debt Service	0.2845	0.3045	0.3045	0.3045	0.3045
<b>Total District Direct Rates</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>

\* Includes Harris County, Harris County Department of Education, Harris County Flood Control District and the Port of Houston Authority

Source: Harris County Appraisal District Assessments

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

*Table 6*  
*Page 2 of 2*

<b>Taxing Authority</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b><i>Overlapping Rates:</i></b>					
Bunker Hill Village, City of	\$ 0.2979	\$ 0.2979	\$ 0.3077	\$ 0.2730	\$ 0.2649
Harris County *	0.4663	0.4544	0.4444	0.4444	0.4439
Hedwig Village, City of	0.2086	0.2173	0.2218	0.2230	0.2151
Hilshire Village, City of	0.5743	0.6056	0.6051	0.6374	0.5526
Houston, City of	0.6388	0.6388	0.6388	0.6388	0.6388
Hunters Creek Village, City of	0.1841	0.1900	0.1825	0.1850	0.1850
Memorial Village Water Authority	0.0386	0.0400	0.0399	0.0382	0.0362
Piney Point Village, City of	0.2151	0.2151	0.2151	0.2151	0.2151
Spring Valley, City of	0.5128	0.5398	0.5398	0.5398	0.5398
<b>Total</b>	<b>\$ 3.1365</b>	<b>\$ 3.1989</b>	<b>\$ 3.1951</b>	<b>\$ 3.1947</b>	<b>\$ 3.0914</b>
<b><i>District Direct Rates:</i></b>					
Maintenance & Operations	\$ 1.0900	\$ 1.0900	\$ 1.0900	\$ 1.0900	\$ 1.0900
Debt Service	0.3045	0.3045	0.3045	0.3045	0.3045
<b>Total District Direct Rates</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>

\* Includes Harris County, Harris County Department of Education, Harris County Flood Control District and the Port of Houston Authority

Source: Harris County Appraisal District Assessments

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**
**PRINCIPAL TAXPAYERS**
**CURRENT YEAR AND NINE YEARS AGO**
**Table 7**

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Energy Tower Investments Ltd	\$ 328,511,144	1	1.01%	\$ -		
Conoco Phillips Co	323,570,274	2	0.99%	-		
Memorial City Mall LP	316,071,998	3	0.97%	-		
Metro National Corp	295,063,747	4	0.90%	451,477,604	1	2.44%
MC Medical Campus LP	276,901,913	5	0.85%	147,450,839	2	0.80%
Centerpoint Energy Inc	214,452,360	6	0.66%	95,711,739	6	0.52%
Memorial City Towers Ltd	197,534,035	7	0.60%	125,427,542	3	0.68%
MNC LP/LLC	181,629,312	8	0.56%	-		
TR Eldridge Plan LP	174,599,234	9	0.53%	-		
MN Coxen LLC	167,800,000	10	0.51%	-		
Behringer Harvard	-			122,736,520	4	0.66%
Midway T & C Land Investors LLC	-			102,111,089	5	0.55%
Town & Country Ptnr	-			83,080,341	7	0.45%
FSP Energy Tower 1 LP	-			81,645,993	8	0.44%
Smith Jim R	-			75,983,881	9	0.41%
National Oilwell Inc	-			69,913,675	10	0.38%
<b>Totals</b>	<b>\$ 2,476,134,017</b>		<b>7.58%</b>	<b>\$ 1,355,539,223</b>		<b>7.33%</b>

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

(2) Total assessed value tax year 2018 equals: \$ 32,660,731,512

(3) Total assessed value tax year 2009 equals: \$ 18,527,415,236

Source: Spring Branch ISD tax office

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

*Table 8*

Fiscal Year	Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2019	\$ 428,145,842	\$ 422,769,713	98.74%	-	\$ 422,769,713	98.74%
2018	411,516,085	412,048,609	100.13%	(1,731,761)	410,316,848	99.71%
2017	394,149,267	396,841,527	100.68%	(3,407,759)	393,433,768	99.82%
2016	359,771,775	360,374,126	100.17%	(1,153,517)	359,220,609	99.85%
2015	315,729,421	316,363,770	100.20%	(1,097,058)	315,266,712	99.85%
2014	281,230,923	282,051,822	100.29%	(1,248,560)	280,803,262	99.85%
2013	257,609,087	256,391,346	99.53%	836,192	257,227,538	99.85%
2012	244,227,292	242,036,758	99.10%	1,924,148	243,960,906	99.89%
2011	236,830,680	235,119,670	99.28%	1,433,770	236,553,440	99.88%
2010	240,853,118	238,268,576	98.93%	2,265,639	240,534,215	99.87%

(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.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

*Table 9*

<b>Fiscal Year (1)</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Ratio of Debt to Assessed Value (1)</b>	<b>Debt Per Student (2)</b>
	<b>General Obligation Bonds</b>	<b>Capital Leases/Notes Payable</b>			
2019	\$ 675,008,810	\$ 214,379	\$ 675,223,189	2.07%	\$ 21,670
2018	744,562,827	495,272	745,058,099	2.34%	22,852
2017	669,614,603	770,616	670,385,219	2.19%	20,593
2016	734,543,380	1,040,522	735,583,902	2.66%	22,560
2015	776,752,997	1,305,097	778,058,094	3.21%	23,973
2014	784,530,061	1,548,229	786,078,290	3.65%	24,206
2013	747,206,839	1,763,900	748,970,739	3.81%	23,364
2012	766,535,537	1,961,971	768,497,508	4.12%	24,740
2011	707,780,793	2,143,433	709,924,226	3.91%	23,376
2010	630,403,384	2,309,240	632,712,624	3.42%	21,199

(1) See Table 5 for assessed value data.

(2) See Table 15 for student average daily attendance data.



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

*Table 10*

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less Reserve for Retirement of Bonded Debt</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt To Assessed Value (1)</b>	<b>Net Bonded Debt Per Student (2)</b>
2019	\$ 675,008,810	\$ 26,044,072	\$ 648,964,738	1.99%	\$ 20,179
2018	744,562,827	27,239,206	717,323,621	2.25%	22,001
2017	669,614,603	26,765,920	642,848,683	2.10%	19,747
2016	734,543,380	24,663,287	709,880,093	2.56%	21,771
2015	776,752,997	18,582,403	758,170,594	3.13%	23,361
2014	784,530,061	20,231,386	764,298,675	3.55%	23,536
2013	747,206,839	14,984,741	732,222,098	3.72%	22,841
2012	766,535,537	15,002,336	751,533,201	4.03%	24,194
2011	707,780,793	7,841,168	699,939,625	3.85%	23,047
2010	630,403,384	11,423,005	618,980,379	3.34%	20,739

(1) See Table 5 for assessed value data.

(2) See Table 15 for student average daily attendance data.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT**  
**June 30, 2019**

*Table 11*

<u>Taxing Body</u>	<u>Net Debt Amount</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
<b>Overlapping:</b>				
Bunker Hill Village, City of	\$ 7,925,000	6/30/2019	100.00%	\$ 7,925,000
Harris County	2,050,758,022	6/30/2019	7.13%	146,219,047
Harris County Dept of Education	6,320,000	6/30/2019	7.13%	450,616
Harris County Flood Control	83,075,000	6/30/2019	7.13%	5,923,248
Harris County Hosp Dist	57,300,000	6/30/2019	7.13%	4,085,490
Hedwig Village, City of	5,195,000	6/30/2019	100.00%	5,195,000
Hilshire Village, City of	1,860,000	6/30/2019	100.00%	1,860,000
Houston, City of	3,541,325,000	6/30/2019	9.84%	348,466,380
Piney Point Village, City of	6,760,000	6/30/2019	95.62%	6,463,912
Port of Houston Authority	593,754,397	6/30/2019	7.13%	42,334,689
Spring Valley, City of	18,085,000	6/30/2019	100.00%	<u>18,085,000</u>
<b>Total Net Overlapping Debt</b>				587,008,381
<b>Direct:</b>				
Spring Branch Independent School District	675,223,189		100.00%	<u>675,223,189</u>
<b>Total Direct and Overlapping Debt</b>				<b><u>\$ 1,262,231,570</u></b>

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Source: Various taxing authorities, except for the net debt of Spring Branch School District

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

**Table 12**

<b>Fiscal Year</b>	<b>Residential Units (1)</b>	<b>Total Assessed Value of Residential Units (1)</b>	<b>Personal Income (2)</b>	<b>Average Assessed Value Per Residential Unit</b>	<b>Per Capita Income (2)</b>	<b>Average Daily Attendance (3)</b>	<b>Unemployment Rate (4)</b>
2019	44,166	\$ 25,089,467,484	*	\$ 568,072	*	31,838	3.8%
2018	43,705	24,685,355,513	*	564,818	*	32,604	4.4%
2017	43,291	23,214,885,369	*	536,252	\$ 53,188	32,554	5.3%
2016	43,001	21,223,254,889	*	493,553	51,186	32,606	5.5%
2015	42,816	18,569,606,282	\$ 249,989,500,000	433,707	55,088	32,455	4.8%
2014	42,494	16,521,857,706	252,694,912,000	388,804	56,896	32,474	5.4%
2013	42,325	15,545,579,506	230,462,963,000	367,291	53,141	32,057	6.8%
2012	42,257	15,128,026,545	224,617,980,000	358,000	52,805	31,063	7.6%
2011	42,054	14,643,857,476	204,593,445,000	348,216	48,935	30,370	8.8%
2010	42,023	14,760,379,169	183,924,314,000	351,245	44,757	29,846	8.6%

(1) Source: Harris County (Texas) Appraisal District

(2) Source: TRACER of Texas Workforce Commission; income information is for Harris County

(3) Source: District Records

(4) Source: TRACER of Texas Workforce Commission; Unemployment rate is for Harris County

\* Information not yet available



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**
**Table 13**
**PRINCIPAL EMPLOYERS**
**CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Principal Employers</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Wal-Mart Stores Inc	31,000	1	15.07%	30,535	1	18.02%
Memorial Hermann Healthcare System	27,211	2	13.23%	20,990	2	12.39%
HEB	26,956	3	13.10%	13,575	8	8.01%
Houston Methodist	23,669	4	11.50%	12,408	9	7.32%
University of Texas M.D. Anderson Cancer Center	21,001	5	10.21%	17,295	4	10.21%
McDonald's Corp	16,100	6	7.83%	-		0.00%
Kroger Company	15,902	7	7.73%	15,117	6	8.92%
Exxon Mobil Corp.	15,000	8	7.29%	14,356	7	8.47%
Texas Children's Hospital	15,000	9	7.29%	-		
United Airlines	13,904	10	6.76%	-		0.00%
Shell Oil Company	-			11,000	10	6.49%
Administaff	-			17,511	3	10.34%
Continental Airlines	-			16,643	5	9.82%
Total Employed	205,743		100.00%	169,430		100.00%

2019 Source: Here is Houston

2009 Source: City of Houston

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION**  
**LAST TEN FISCAL YEARS**

*Table 14*  
*Page 1 of 2*

<b>POSITION:</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015***</b>
Administrator	82.4	88.9	86.0	81.0	81.8
Assistant Principal	79.0	79.0	78.0	80.0	81.0
Athletic Director	4.0	4.0	4.0	4.0	4.0
Athletic Trainer	8.0	8.0	8.0	8.0	6.5
Bus Driver/Bus Attendants	232.1	237.5	239.0	232.0	221.5
Cafeteria Workers	283.3	278.0	270.0	299.0	294.0
Child Care Worker	58.8	51.9	65.0	75.0	67.0
Counselor	76.5	76.3	79.0	74.0	71.5
Crossing Guard	31.5	26.0	32.0	42.0	34.0
Custodial	197.0	200.0	205.0	206.0	207.0
Intervention Specialists	91.0	87.2	116.0	116.0	119.0
Librarian/Library Assistant	40.5	39.0	38.0	39.0	38.0
Maintenance	90.0	103.0	97.0	107.0	101.0
Nurse/Nurse Assistant	56.0	58.0	61.0	65.0	46.0
Other Auxiliary*	23.0	22.0	25.0	33.0	35.5
Other Professional **	253.4	226.1	219.0	217.0	193.1
Police Officer	36.0	30.0	31.0	31.0	32.0
Principal	48.0	46.0	46.0	47.0	44.5
Registrar	6.0	6.0	6.0	6.0	6.0
Secretary/Clerical	308.5	308.6	321.0	328.0	334.0
Social Worker	0.0	1.0	1.0	1.0	1.0
Teacher	2,117.0	2,123.6	2,133.0	2,230.0	2,136.3
Teacher Assistant	394.2	377.0	370.0	360.0	330.0
Technial/Cat 9 and Aux Tech	54.5	54.0	56.0	56.0	54.0
<b>Total Employees</b>	<b>4,570.6</b>	<b>4,531.1</b>	<b>4,586.0</b>	<b>4,737.0</b>	<b>4,538.8</b>

\* Includes Warehouse Drivers, Child Nutrition Drivers, Telecommunications, and other technical auxiliary staff not otherwise listed.

\*\* Includes Diagnosticians, Psychologists, Program Coordinators, Case Managers, Speech Pathologists and other professional staff not listed individually.

\*\*\* Methodology for grouping FTEs was updated for several categories.

Source: District Records

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION**  
**LAST TEN FISCAL YEARS**

*Table 14*  
*Page 2 of 2*

<b>POSITION:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Administrator	72.0	70.5	69.8	74.5	73.0
Assistant Principal	78.5	77.5	76.5	75.0	74.5
Athletic Director	4.0	4.0	4.0	4.0	4.0
Athletic Trainer	8.0	8.0	8.0	8.0	8.0
Bus Driver/Bus Attendants	157.0	157.0	157.0	157.0	157.0
Cafeteria Workers	384.0	383.0	384.0	384.0	384.0
Child Care Worker	85.0	83.0	76.0	76.0	63.0
Counselor	59.5	59.0	59.5	78.0	78.0
Crossing Guard	56.0	55.0	55.0	55.0	53.5
Custodial	209.0	204.0	203.0	203.0	202.0
Intervention Specialists	122.9	116.4	103.2	133.8	127.7
Librarian/Library Assistant	40.0	39.0	39.0	42.0	43.0
Maintenance	109.0	109.0	95.0	100.0	104.0
Nurse/Nurse Assistant	53.0	53.0	53.0	53.0	53.8
Other Auxiliary*	28.0	28.0	29.0	30.0	30.0
Other Professional **	154.5	147.3	140.1	135.5	127.9
Police Officer	24.0	25.0	25.0	30.0	30.0
Principal	45.5	44.5	44.5	44.5	44.5
Registrar	5.0	5.0	5.0	5.0	5.0
Secretary/Clerical	342.8	335.9	328.4	358.9	362.7
Social Worker	0.0	0.0	0.0	0.0	2.0
Teacher	2,188.5	2,150.9	2,113.4	2,301.2	2,273.7
Teacher Assistant	333.7	332.7	337.0	361.9	358.6
Technial/Cat 9 and Aux Tech	38.0	38.0	37.0	38.0	39.0
<b>Total Employees</b>	<b>4,597.8</b>	<b>4,525.7</b>	<b>4,442.4</b>	<b>4,748.2</b>	<b>4,698.9</b>

\* Includes Warehouse Drivers, Child Nutrition Drivers, Telecommunications, and other technical auxiliary staff not otherwise listed.

\*\* Includes Diagnosticians, Psychologists, Program Coordinators, Case Managers, Speech Pathologists and other professional staff not listed individually.

\*\*\* Methodology for grouping FTEs was updated for several categories.

Source: District Records

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

*Table 15*  
*Page 1 of 2*

<b>Fiscal Year</b>	<b>Average Daily Attendance</b>	<b>Operating Expenditures (1)</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Governmental Activities Expenses</b>
2019	32,160	\$ 447,677,065	\$ 13,920	8.24%	\$ 521,792,574
2018	32,604	419,316,252	12,861	7.27%	371,481,825
2017	32,554	390,315,215	11,990	5.54%	453,423,227
2016	32,606	370,409,781	11,360	11.36%	440,776,261
2015	32,455	331,072,735	10,201	5.23%	384,836,884
2014	32,474	314,795,540	9,694	4.12%	378,614,014
2013	32,057	298,459,754	9,310	-4.71%	355,528,726
2012	31,063	303,511,703	9,771	-6.05%	356,170,792
2011	30,370	315,856,068	10,400	-1.08%	368,451,260
2010	29,846	313,788,253	10,514	11.64%	354,162,743

Source: Nonfinancial information from district records.

- (1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.
- (2) Teachers per Table 14



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

*Table 15*  
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<b>Fiscal Year</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Teaching Staff (2)</b>	<b>Student to Teacher Ratio</b>	<b>Percentage of Students in Free/Reduced Lunch Program</b>
2019	\$ 16,225	42.40%	2,117	15.19	61.36%
2018	11,394	-18.20%	2,124	15.35	61.92%
2017	13,928	3.03%	2,133	15.26	59.93%
2016	13,518	14.01%	2,230	14.62	58.12%
2015	11,858	1.70%	2,136	15.19	55.94%
2014	11,659	5.13%	2,188	14.84	58.41%
2013	11,091	-3.28%	2,151	14.90	59.00%
2012	11,466	-5.49%	2,113	14.70	58.74%
2011	12,132	2.24%	2,301	13.20	58.58%
2010	11,866	5.74%	2,274	13.13	58.41%

Source: Nonfinancial information from district records.

- (1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.
- (2) Teachers per Table 14



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**TEACHER BASE SALARIES**  
**LAST TEN FISCAL YEARS**

*Table 16*

<b>Fiscal Year</b>	<b>Minimum Salary (1)</b>	<b>Maximum Salary (1)</b>	<b>County Average Salary (2)</b>	<b>Statewide Average Salary (2)</b>
2019	\$ 54,000	\$ 84,462	\$ 57,423	\$ 54,122
2018	52,000	81,000	56,943	53,334
2017	50,000	81,000	55,888	52,525
2016	50,000	81,000	59,791	51,892
2015	48,000	79,738	54,284	50,715
2014	47,000	77,416	52,356	49,692
2013	45,500	75,161	51,124	48,821
2012	45,500	75,951	50,536	48,375
2011	45,350	72,698	50,712	48,639
2010	45,320	72,598	50,236	48,263

(1) Source: District records

(2) Source: Texas Education Agency website

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
*Page 1 of 10*

<b>Building:</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>HIGH SCHOOLS</b>					
Memorial (1962)					
Square Footage	311,115	311,115	311,115	311,115	311,115
Capacity	2,516	2,516	2,516	2,516	2,516
Enrollment	2,620	2,669	2,638	2,650	2,602
Northbrook (1974)					
Square Footage	394,609	394,609	394,609	394,609	394,609
Capacity	2,477	2,477	2,477	2,477	2,477
Enrollment	2,578	2,517	2,444	2,333	2,258
Spring Woods (1964)					
Square Footage	349,382	349,382	349,382	349,382	349,382
Capacity	2,098	2,098	2,098	2,098	2,098
Enrollment	2,150	2,165	2,172	2,213	2,131
Stratford (1974)					
Square Footage	323,500	323,500	323,500	323,500	323,500
Capacity	1,923	1,923	1,923	1,923	1,923
Enrollment	2,137	2,148	2,113	2,124	1,934
<b>MIDDLE SCHOOLS</b>					
Landrum (1956)					
Square Footage	178,731	178,731	178,731	178,731	178,731
Capacity	954	954	954	954	954
Enrollment	1,042	1,053	1,073	1,062	1,047
Memorial (1963)					
Square Footage	195,328	195,328	195,328	195,328	195,328
Capacity	1,441	1,441	1,441	1,441	1,441
Enrollment	1,336	1,348	1,381	1,370	1,377
Northbrook (1973)					
Square Footage	203,020	203,020	203,020	203,020	203,020
Capacity	1,004	1,004	1,004	1,004	1,004
Enrollment	885	879	939	961	991
Spring Branch (1953)					
Square Footage	226,188	226,188	226,188	226,188	226,188
Capacity	1,122	1,122	1,122	1,122	1,122
Enrollment	1,082	1,112	1,091	1,127	1,193
Spring Forest (1967)					
Square Footage	192,559	192,559	192,559	192,559	192,559
Capacity	1,094	1,094	1,094	1,094	1,094
Enrollment	916	897	850	839	832
Spring Oaks (1967)					
Square Footage	192,544	192,544	192,544	192,544	192,544
Capacity	896	896	896	896	896
Enrollment	717	712	765	768	782
Spring Woods (1961)					
Square Footage	200,776	200,776	200,776	200,776	200,776
Capacity	1,032	1,032	1,032	1,032	1,032
Enrollment	876	876	949	949	925

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
*Page 2 of 10*

<b>Building:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>HIGH SCHOOLS</b>					
Memorial (1962)					
Square Footage	311,115	311,115	311,115	311,115	311,115
Capacity	2,516	2,516	2,441	2,441	2,441
Enrollment	2,567	2,564	2,461	2,377	2,274
Northbrook (1974)					
Square Footage	394,609	394,609	394,609	394,609	394,609
Capacity	2,477	2,477	2,427	2,427	2,427
Enrollment	2,119	2,155	2,027	2,036	1,896
Spring Woods (1964)					
Square Footage	349,382	349,382	349,382	349,382	349,382
Capacity	2,098	2,098	2,023	2,023	2,023
Enrollment	2,094	2,120	2,002	1,951	1,907
Stratford (1974)					
Square Footage	323,500	323,500	323,500	323,500	323,500
Capacity	1,923	1,923	1,891	1,891	1,891
Enrollment	2,010	2,091	1,967	1,941	1,945
<b>MIDDLE SCHOOLS</b>					
Landrum (1956)					
Square Footage	178,731	178,731	178,731	178,731	178,731
Capacity	954	954	954	954	954
Enrollment	740	828	750	726	710
Memorial (1963)					
Square Footage	195,328	195,328	195,328	195,328	195,328
Capacity	1,441	1,441	1,041	1,441	1,441
Enrollment	1,411	1,367	1,297	1,209	1,162
Northbrook (1973)					
Square Footage	203,020	203,020	203,020	203,020	203,020
Capacity	1,004	1,004	1,004	1,004	1,004
Enrollment	627	827	678	636	593
Spring Branch (1953)					
Square Footage	226,188	226,188	226,188	226,188	226,188
Capacity	1,122	1,122	1,122	1,122	1,122
Enrollment	1,163	1,145	1,109	1,055	1,058
Spring Forest (1967)					
Square Footage	192,559	192,559	192,559	192,559	192,559
Capacity	1,094	1,094	1,094	1,094	1,094
Enrollment	804	874	820	867	851
Spring Oaks (1967)					
Square Footage	192,544	192,544	192,544	192,544	192,544
Capacity	896	896	896	896	896
Enrollment	820	826	824	786	763
Spring Woods (1961)					
Square Footage	200,776	200,776	200,776	200,776	200,776
Capacity	1,032	1,032	982	982	982
Enrollment	938	865	830	850	836

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
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<b>Building:</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>ELEMENTARY SCHOOLS</b>					
Buffalo Creek (1997)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	507	552	582	619	636
Bunker Hill (1956)					
Square Footage	65,335	65,335	65,335	65,335	65,335
Capacity	773	773	773	773	773
Enrollment	620	641	658	677	697
Cedar Brook (1993)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	726	795	854	891	898
Edgewood (2011) / (1960)					
Square Footage	109,000	109,000	109,000	109,000	109,000
Capacity	791	791	791	791	791
Enrollment	627	641	660	679	750
Frostwood (2014) / (1960)					
Square Footage	110,145	110,145	110,145	110,145	110,145
Capacity	750	750	750	750	750
Enrollment	713	707	704	707	701
Hollibrook (2010) / (1957)					
Square Footage	112,095	112,095	112,095	112,095	112,095
Capacity	882	882	882	882	882
Enrollment	743	763	804	842	830
Housman (2011) / (1950)					
Square Footage	101,561	101,561	101,561	101,561	101,561
Capacity	717	717	717	717	717
Enrollment	526	534	554	559	587
Hunters Creek (1954)					
Square Footage	61,937	61,937	61,937	61,937	61,937
Capacity	634	634	634	634	634
Enrollment	655	673	643	664	669
Meadow Wood (2011) / (1964)					
Square Footage	95,278	95,278	95,278	95,278	95,278
Capacity	683	683	683	683	683
Enrollment	491	505	509	517	501
Memorial Drive (1949)					
Square Footage	58,614	58,614	58,614	58,614	58,614
Capacity	466	466	466	466	466
Enrollment	426	447	454	458	466
Nottingham (1969)					
Square Footage	61,574	61,574	61,574	61,574	61,574
Capacity	568	568	568	568	568
Enrollment	497	509	532	473	445

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
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<b>Building:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>ELEMENTARY SCHOOLS</b>					
Buffalo Creek (1997)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	657	649	684	679	687
Bunker Hill (1956)					
Square Footage	65,335	65,335	65,335	65,335	65,335
Capacity	773	773	773	758	758
Enrollment	702	682	662	613	648
Cedar Brook (1993)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	898	882	781	881	847
Edgewood (2011) / (1960)					
Square Footage	109,000	109,000	109,000	68,978	68,978
Capacity	791	791	791	756	756
Enrollment	769	819	805	722	726
Frostwood (2014) / (1960)					
Square Footage	110,145	32,768	60,625	60,625	60,625
Capacity	750	720	882	650	650
Enrollment	687	696	727	748	727
Hollibrook (2010) / (1957)					
Square Footage	112,095	112,095	112,095	112,095	112,095
Capacity	882	882	882	938	938
Enrollment	799	793	824	776	712
Housman (2011) / (1950)					
Square Footage	101,561	101,561	101,561	89,762	89,762
Capacity	717	717	717	682	682
Enrollment	573	589	555	575	555
Hunters Creek (1954)					
Square Footage	61,937	61,937	61,937	61,937	61,937
Capacity	634	634	634	634	634
Enrollment	643	669	670	662	637
Meadow Wood (2011) / (1964)					
Square Footage	95,278	95,278	32,766	72,722	72,722
Capacity	683	683	683	514	526
Enrollment	508	475	445	423	466
Memorial Drive (1949)					
Square Footage	58,614	58,614	58,614	58,614	58,614
Capacity	466	466	466	466	466
Enrollment	470	424	436	445	436
Nottingham (1969)					
Square Footage	61,574	61,574	61,574	61,574	61,574
Capacity	568	568	568	568	568
Enrollment	555	643	591	552	513

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
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<b>Building:</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Pine Shadows (2012) / (1955)					
Square Footage	118,167	118,167	118,167	118,167	118,167
Capacity	913	913	913	913	913
Enrollment	770	755	737	783	824
Ridgecrest (2010) / (1953)					
Square Footage	111,352	111,352	111,352	111,352	111,352
Capacity	960	960	960	960	960
Enrollment	793	760	768	818	865
Rummel Creek (2016) / (1962)					
Square Footage	106,260	106,260	106,260	106,260	32,768
Capacity	750	750	750	750	720
Enrollment	738	737	706	706	695
Shadow Oaks (2011) / (1959)					
Square Footage	118,314	118,314	118,314	118,314	118,314
Capacity	871	871	871	871	871
Enrollment	648	665	724	722	723
Sherwood (1968)					
Square Footage	69,371	69,371	69,371	69,371	69,371
Capacity	538	538	538	538	538
Enrollment	451	456	479	464	455
Spring Branch (2011) / (1938)					
Square Footage	101,897	101,897	101,897	101,897	101,897
Capacity	737	737	737	737	737
Enrollment	599	566	634	669	669
Spring Shadows (1968)					
Square Footage	96,664	96,664	96,664	96,664	96,664
Capacity	830	830	830	830	830
Enrollment	614	695	733	736	758
Terrace (1973)					
Square Footage	74,349	74,349	74,349	74,349	74,349
Capacity	702	702	702	702	702
Enrollment	391	396	395	437	465
Thornwood (1973)					
Square Footage	69,038	69,038	69,038	69,038	69,038
Capacity	548	548	548	548	548
Enrollment	430	431	426	399	380
Treasure Forest (1996)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	498	570	551	577	627
Valley Oaks (2015)/(1956) demolished					
Square Footage	117,872	117,872	117,872	117,872	117,872
Capacity	810	810	810	810	810
Enrollment	722	670	619	563	573



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
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<b>Building:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Pine Shadows (2012) / (1955)					
Square Footage	118,167	118,167	90,184	90,184	90,184
Capacity	913	913	674	674	674
Enrollment	813	827	725	735	685
Ridgecrest (2010) / (1953)					
Square Footage	111,352	111,352	111,352	111,352	111,352
Capacity	960	960	960	960	960
Enrollment	903	839	836	820	782
Rummel Creek (2016) / (1962)					
Square Footage	72,615	72,615	72,615	72,615	72,615
Capacity	760	760	760	760	760
Enrollment	679	694	679	729	712
Shadow Oaks (2011) / (1959)					
Square Footage	118,314	118,314	118,314	77,230	84,588
Capacity	871	871	871	700	814
Enrollment	706	685	675	666	680
Sherwood (1968)					
Square Footage	69,371	69,371	69,371	69,371	69,371
Capacity	538	538	538	538	538
Enrollment	452	445	429	394	370
Spring Branch (2011) / (1938)					
Square Footage	101,897	101,897	101,897	101,897	91,788
Capacity	737	737	737	680	680
Enrollment	632	670	668	540	545
Spring Shadows (1968)					
Square Footage	96,664	96,664	96,664	96,664	96,664
Capacity	830	830	830	830	830
Enrollment	814	743	685	667	701
Terrace (1973)					
Square Footage	74,349	74,349	74,349	74,349	74,349
Capacity	702	702	702	702	702
Enrollment	486	480	526	544	555
Thornwood (1973)					
Square Footage	69,038	69,038	69,038	69,038	69,038
Capacity	548	548	548	548	548
Enrollment	489	477	457	419	440
Treasure Forest (1996)					
Square Footage	82,179	82,179	82,179	82,149	82,149
Capacity	688	688	688	688	688
Enrollment	647	638	644	650	701
Valley Oaks (2015)/(1956) demolished					
Square Footage	72,240	72,240	72,240	72,240	72,240
Capacity	716	716	716	716	716
Enrollment	631	632	626	627	594

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
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<b>Building:</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Westwood (2011) / (1963)					
Square Footage	98,264	98,264	98,264	98,264	98,264
Capacity	871	871	871	871	871
Enrollment	521	589	621	660	670
Wilchester (2011) / (1967)					
Square Footage	123,253	123,253	123,253	123,253	123,253
Capacity	906	906	906	906	906
Enrollment	821	793	796	777	735
Woodview (1958)					
Square Footage	86,114	86,114	86,114	86,114	86,114
Capacity	716	716	716	716	716
Enrollment	564	620	645	646	666
<b>PRE-KINDERGARTEN CENTERS</b>					
Bear Blvd (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	294	315	293	295	290
Lion Lane (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	322	304	252	251	394
Panda Path (2001-Leased Space)					
Square Footage	15,618	15,618	15,618	15,618	15,618
Capacity	136	136	136	136	136
Enrollment	211	203	98	144	137
Tiger Trail (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	345	305	249	241	248
Wildcat Way (2002)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	371	326	288	274	287
<b>OTHER CAMPUSES</b>					
Bendwood (1958)					
Square Footage	38,830	38,830	38,830	38,830	38,830
Capacity	440	440	440	440	440
Enrollment	44	37	41	49	47
Cornerstone Academy (1951) / (2018)					
Square Footage		**	**	**	**
Capacity	413	413	413	413	413
Enrollment	377	373	382	381	370

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
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<b>Building:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Westwood (2011) / (1963)					
Square Footage	98,264	98,264	98,264	98,264	56,409
Capacity	871	871	871	608	608
Enrollment	658	595	599	603	648
Wilchester (2011) / (1967)					
Square Footage	123,253	123,253	123,253	71,798	71,798
Capacity	906	906	906	574	574
Enrollment	747	731	673	630	609
Woodview (1958)					
Square Footage	86,114	86,114	86,114	86,114	86,114
Capacity	716	716	716	716	716
Enrollment	643	638	623	583	628
<b>PRE-KINDERGARTEN CENTERS</b>					
Bear Blvd (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	348	328	346	275	114
Lion Lane (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	309	321	416	314	307
Panda Path (2001-Leased Space)					
Square Footage	15,618	15,618	15,618	15,618	15,618
Capacity	136	136	136	136	136
Enrollment	168	131	148	129	279
Tiger Trail (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	309	265	307	372	343
Wildcat Way (2002)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	286	329	280	313	313
<b>OTHER CAMPUSES</b>					
Bendwood (1958)					
Square Footage	38,830	38,830	38,830	38,830	38,830
Capacity	440	440	440	440	440
Enrollment	39	45	41	62	46
Cornerstone Academy (1951) / (2018)					
Square Footage	**	**	**	**	**
Capacity	413	413	413	413	413
Enrollment	369	383	381	388	380

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
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<b>Building:</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>OTHER CAMPUSES (continued)</b>					
The Guthrie Center (1972)					
Square Footage	83,614	83,614	83,614	83,614	83,614
Capacity	326	326	326	326	326
Enrollment	n/a	n/a	n/a	n/a	n/a
School of Choice (1951) / (2018)					
Square Footage	**	**	**	**	**
Capacity	494	494	494	494	494
Enrollment	160	187	169	n/a	n/a
Spring Branch Education Center (1951) / (2018) **					
Square Footage	170,052	170,052	170,052	94,467	268,780
Capacity	n/a	n/a	n/a	n/a	n/a
Enrollment	n/a	n/a	n/a	n/a	n/a
Westchester Academy (1967)					
Square Footage	294,963	294,963	294,963	294,963	294,963
Capacity	1,012	1,012	1,012	1,012	1,012
Enrollment	1,014	1,031	1,023	1,014	973

\*\* Spring Branch Education Center facility houses Cornerstone & School of Choice.  
Square footage is for entire complex.

Note: Capacity does not include temporary buildings. Guthrie and School of Choice students are included in numbers for their home campus. The source of square footage and capacity is district records.

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 17*  
*Page 10 of 10*

<b>Building:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>OTHER CAMPUSES (continued)</b>					
The Guthrie Center (1972)					
Square Footage	83,614	83,614	83,614	83,614	83,614
Capacity	326	326	326	326	326
Enrollment	n/a	n/a	n/a	n/a	n/a
School of Choice (1951) / (2018)					
Square Footage	**	**	**	**	**
Capacity	494	494	494	494	494
Enrollment	n/a	n/a	n/a	n/a	116
Spring Branch Education Center (1951) / (2018) **					
Square Footage	268,780	268,780	268,780	268,780	268,780
Capacity	n/a	n/a	n/a	n/a	n/a
Enrollment	n/a	n/a	n/a	n/a	n/a
Westchester Academy (1967)					
Square Footage	294,963	294,963	294,963	294,963	294,963
Capacity	1,012	1,012	1,012	1,012	1,012
Enrollment	936	957	977	977	999

\*\* Spring Branch Education Center facility houses Cornerstone & School of Choice.  
Square footage is for entire complex.

Note: Capacity does not include temporary buildings. Guthrie and School of Choice students are included in numbers for their home campus. The source of square footage and capacity is district records.

