



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020



# **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
June 30, 2020**

**LA PORTE INDEPENDENT SCHOOL DISTRICT**

**1002 San Jacinto Street, La Porte, Texas 77571**

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**Prepared By The LPISD Business Office**

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

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## ***INTRODUCTORY SECTION***

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# La Porte Independent School District

1002 San Jacinto Street  
La Porte, Texas 77571

Dr. Walter Jackson  
Superintendent of Schools

(281) 604-7001  
Fax (281) 604-7010  
lpsd.org

November 10, 2020

Mr. Lee Wallace, President,  
Members of the Board of Trustees, and  
Citizens of the La Porte Independent School District:

Dear Members of the Board of Trustees and Citizens,

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 generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the La Porte Independent School District (the "District") for the fiscal year ended June 30, 2020. The CAFR is management's report of financial operations to the Board of Trustees (the "Board"), taxpayers, grantor agencies, employees, the TEA, and other interested parties.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, resides with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Management of the District is responsible for establishing and maintaining internal control structures designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of 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 financial statements of the District have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involves 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2020, are fairly presented

in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is 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 legal requirements involving the administration of federal awards. These reports are available in the Federal Awards section of this report. The results of the District's Single Audit for the fiscal year ended June 30, 2020, provided no instances of material weaknesses in the internal control structures or material violations of applicable laws and regulations.

GAAP require 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**

Residents of the District elect a seven-member Board, each of whom serves for three years. The District is not included in any other governmental "reporting entity" since the Board of Trustees is elected by the public and has decision making authority. Monthly meetings of the Board are posted and advertised as prescribed under state laws so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or study sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

The District occupies 55 square miles in Southeast Harris County. Included in its boundaries are the cities of La Porte, Shoreacres, Morgan's Point, and a small section of southeast Deer Park and Pasadena. Established for the 1915-1916 school year, the District is fortunate to have the support of the La Porte community which has retained that special "hometown" feeling while being able to take advantage of opportunities offered by the nearby metropolitan Houston area. During the 2019-2020 fiscal year, the District operated one traditional 9th-12th high school, one alternative 9th-12th high school, two junior high schools, one 6th grade campus, and seven elementary schools. The District serves approximately 7400 students, and provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and enriched academic education, special education for children with special needs, career and technology education, and programs for students with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in fine arts and athletics.

### **A Vision for the District**

The District's Portrait of a Graduate presents a set of attributes that reflect our District's high expectations and commitment to provide our students with pride, loyalty, academic and social accomplishment, citizenship, curiosity, and a lifelong desire to contribute back to the greater community. This portrait serves as a framework for developing a coherent set of competencies for all District students.

The goals for improvement, which grew out of a comprehensive needs assessment and the work of the District's Board, staff, and community, are to increase achievement and success for every student through rigorous, broad-based academic programs and expanded opportunities; provide a safe, secure, and disciplined learning environment; attract, develop, and retain excellent staff; promote family engagement

and active involvement of the community in the education of our students; and ensure and demonstrate efficient and effective use of District resources.

### **Economic Condition and Outlook**

The information presented in the financial statements is perhaps best understood when it is considered within the broader perspective of the specific environment in which the District operates. Located just southeast of Houston, Texas, in Harris County, the District is a dynamic factor in the quality of life and economic development efforts of the area. The largest industries surrounding the District include (and are presented in descending order, manufacturing, construction, and educational services. The local economy is subject to volatility in the price of hydrocarbons. The City of La Porte (the “City”) adjoins the Barbours Cut Terminal, operated by the Port of Houston and the largest of its terminals allotted to handle standardized cargo containers. The La Porte area has an estimated population of 34,976, most recently updated from the US Census Bureau for year-end 2019, a 1.3% decrease from 2018. Additionally, Texas Work Force Commission and Texas Labor Market Information for year-end 2019 reported the city has seen less than 0.6% unemployment rate decrease. While primarily industrial in nature, the City has an active and thriving family and business component. It provides easy access to many educational and cultural advantages of the greater Houston/Galveston metropolitan areas. The commercial/industrial growth and the overall economic health of the area have dramatically increased in recent years. Increased property values and growth in the District’s tax base easily demonstrate this. The strong collaborative ties with the chamber of commerce, the business community, other local governmental entities in the area, and San Jacinto College, establishes the District is continuing to make new inroads in building support and targeting resources to achieve the greatest impact for all of our students.

In the past ten years, the District and the surrounding areas have been impacted by several natural disasters which negatively impact District enrollment and growth. For fiscal year 2020, the District had an enrollment of 7,211 students, which is down from FY 2019. The District’s pre-Hurricane Ike enrollment (FY 2008) was 7,927, while FY 2021 enrollment was anticipated to be 7,200. Due to COVID-19, the enrollment is closer to 7,000. While enrollment numbers have steadily decreased and projected numbers reflect a continuing decrease, the District remains active in promoting what La Porte has to offer.

The District currently has nine Chapter 313 agreements (the “Agreements”). Under a Chapter 313 agreement for the purpose of maintenance and operations taxes, the taxable value of the property is limited, but for the purpose of bond repayment, the taxable value of the property cannot be limited. Chapter 313 also limits the reduction of maintenance and operating (M&O) taxable value to a floor that generates \$100 per student in average daily attendance (ADA). The Agreement, a negotiable payment in lieu of taxes, as well as negotiable support for supplemental school district endeavors such as a foundation perhaps, are made directly to the taxing entity. In our case, the payment would come directly to us and be outside of the current school funding system and not subject to recapture or equalization payments to the State. The Agreements are not factored into the District budget until they are approved, constructed and assessed. These agreements are a major contributing factor to the District’s increased base.

The District continues to incur a significant cost in property and casualty insurance due to the location of the District on Galveston Bay. The District has \$200 million of property in AE Zones close to the Bay and \$100 million in coverage. This coverage costs the District \$2.1 million annually of the maintenance and operations tax collections which are then recaptured. Escalating insurance market conditions remain a concern. The District also has costs to maintain two recovery storm shelters, and has routine shelter in place drills. Between Summer 2008 and Summer 2017, the District spent \$348 million for replacement and renovation of educational facilities with storm mitigation at the forefront of design and investment.

House Bill 2610, passed by the 84th Texas Legislature, changes the school year from 180 days to 75,600 minutes. This continues to provide more flexibility for the District when constructing the educational calendars. This also provides flexibility for weather events and issues surrounding the COVID-19 pandemic. The District adopted a calendar based on instructional minutes instead of instructional days. This calendar allows the District better operational and instructional efficiency.

The financial, cultural, educational, and recreational climate of the area is a testimony to the collective leadership and to the communities' progressive attitude toward responsible growth and their vision of the future.

### **Financial Information**

**Accounting Systems** - The Board maintains a system of accounting controls designed to assist the administration in meeting its responsibility for accurately reporting the financial condition of the District. The system is designed to provide reasonable assurance that assets are safeguarded against loss, theft, or misuse so activities can be recorded and transacted by the administration 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.

The cost of operating the District's schools and the revenues to cover these costs are recorded in the General Fund. Food service operations and special programs funded by state or federal government grants designed to accomplish a particular objective are recorded in Special Revenue Funds.

The District accounts for school construction financed by bond sales through a Capital Projects Fund. A specific portion of the tax rate is dedicated to payment of bond principal and interest. These transactions are recorded in the Debt Service Fund.

The District has established Internal Service Funds to account for the transactions of its self-insured workers' compensation plan, its print shop, and new child care center. Income for the self-funded workers' compensation plan is derived primarily from charges to governmental funds based on employee salaries. Income for the print shop is derived primarily from charges to governmental funds for printing services. Income for the childcare center is derived primarily from charges to District employees, immediate family members, and District residents for childcare services.

Financial schedules for fiduciary funds are included in the CAFR. Fiduciary funds are trust and agency funds used to account for assets held by the District in a trustee capacity. Included in this type of fund are the scholarship and activity funds.

The District's accounting records are maintained on a modified accrual basis for governmental fund types and a full accrual basis for the proprietary fund types as prescribed by TEA Financial Accountability System Resource Guide (FASRG). Additionally, the District has prepared the Government-wide Financial Statements on the full accrual basis as required by GASB Board Statement No. 34.

Financial data is submitted by the District to the Texas Education Agency through the Public Education Information Management System (PEIMS). The data is then analyzed, reviewed and presented to the State Board of Education.

**Budgetary Process** – State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the TEA. The budget itself is prepared utilizing a detailed line item approach for governmental fund types and is prepared in accordance with the budgeting requirements as outlined in the FASRG. The annual budget serves as the foundation for the District's financial planning and control. The District maintains budgetary controls throughout all of its financial systems. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the Board. Activities of the General Fund, Child Nutrition Fund and Debt Service Fund are included in the annually appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within each individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Although encumbered amounts lapse at year-end, they are generally re-appropriated as part of the next year's budget. The budget may be amended during the year to address unanticipated or changing needs of the District. Changes to functional expenditures categories, revenues, and other sources and uses require Board approval.

**Significant Financial Activities** – The District's total tax base in 2019-20 was over \$11.3 billion, an increase of 10.89 % from the previous year. The tax rates per \$100 of assessed value for the past five years are shown on the following table.

Year	2015-2016	2016-2017	2017-18	2018-19	2019-2020
M&O	\$1.04	\$1.04	\$1.04	\$1.17	\$1.04
I&S	\$0.41	\$0.38	\$0.34	\$0.21	\$0.24

House Bill 3 was passed by the 86th Texas Legislature in 2019. One major policy area reduces and reforms property taxes and recapture. Property taxes for the District are compressed to \$0.8697 for maintenance and operations during the 2020 tax year, however, pursuant to Texas tax code § 26.08(a), due to the ongoing disaster declarations issued by Governor Abbott due to Hurricane Harvey (including the one on August 8, 2020), the disaster declaration issued by Governor Abbott due to Hurricane Laura on August 26, 2020, and due to the decline in enrollment and attendance rates due to these weather events, which thereby necessitated a decreased expenditure of money to respond to the disasters, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs, the District adopted a maintenance and operations tax rate of \$1.0397.

The District has 1,195 faculty and staff comprised of the following: 40 employees in central administration departments; 545 teachers, librarians, counselors, and nurses; 271 other school leadership and support staff; 115 maintenance employees; 106 cafeteria workers; and 118 employees in transportation for the 2020-2021 budget. The District's Board approved a 3% general pay increase with 5% for classroom teachers and 4% for paraprofessionals. The beginning teacher salary increased to \$57,200.

### ***Major Indicators***

In looking at the most common indicators of quality in a school system, the following are examples of major indicators in the District:

**Test Scores** – The 2020 State of Texas Assessments of Academic Readiness (STAAR) tests were cancelled by the Commissioner of Education due to the COVID-19 Global Pandemic, and all districts and campuses were labeled Not Rated: Declared State of Disaster for 2020. However, under the state accountability system, the District and all campuses met the State's expectations the previous school year. This was the seventh consecutive year that the State has awarded ratings as part of the STAAR accountability system. The District and all campuses have met the State's standards since the inception of

the program. Additionally, districts and campuses may receive distinctions in recognition of outstanding achievement towards performance goals. In fiscal year 2019, six District campuses were recognized with distinctions in one or more areas. La Porte Elementary earned five, Leo A. Rizzuto Elementary earned four distinctions, followed by Jennie Reid and College Park Elementary with two distinctions. Earning one distinction each were Heritage and Lomax Elementary schools.

**Attendance Rate** - Despite the lack of growth in the District and the problems facing families today, the attendance rate in the District remains high at 95.8%.

**Dropout Rate** - The dropout rate remains below the State average, meaning more students are finishing high school and are entering college or the work force.

**Dual Credit Offerings** - The District continued its partnership with San Jacinto College and the La Porte San Jacinto College Center where students may receive dual enrollment credit while attending La Porte High School. The goal of the College Center is to provide opportunities for students to earn college credit and/or industry certification. The District and San Jacinto College instituted the Accelerated College Education (ACE) dual credit program where eligible students can graduate with an Associate's degree in addition to a high school diploma. In 2020, 55 students graduated with an Associate's degree. We anticipate 52 graduates in 2021 and 44 graduates in 2022.

**House Bill (HB) 5 License/Certification Programs** - Pursuant to HB 5, the District offers the following license/certification programs that align with the career pathways embedded in the HB5 endorsement graduation plans:

Business and Industry Endorsement

- Accounting and Financial Services (Microsoft Office Specialist-Word, Quickbooks, and Entrepreneurship and Small Business)
- Animal Science Pathway (Entrepreneurship and Small Business)
- Applied Agricultural Engineering Pathway (OSHA, Entrepreneurship and Small Business)
- Automotive (I-CAR: Refinishing Pro-Level 1 and/or I-CAR: Non-Structural Pro-Level 1, ASE (Auto Service Excellence), Entrepreneurship and Small Business)
- Construction Management (OSHA 30)
- Digital Communications (Adobe Premiere)
- Design and Multimedia Arts (Adobe Flash, Adobe Associate and Certified Associate Project Management)
- Hospitality Culinary Arts (ServSafe-Food Handlers, ServSafe-Managers, and Entrepreneurship and Small Business)
- Marketing and Sales (Microsoft Office Specialist-Word and Excel)
- Welding (NCCER Core Safety and AWS Welding)

Public Services Endorsement

- Early Learning (Microsoft Office Specialist-Word)
- Family and Consumer Services (Microsoft Office Specialist-Word)
- Health Care (Certified Patient Care Technician, CPR, Microsoft Office Specialist-Word, and Entrepreneurship and Small Business)
- Health Care Nursing (Microsoft Office Specialist-Word, Entrepreneurship and Small Business, and Pharmacy Technician)
- ROTC (CompTIA A+)

Science, Technology, Engineering, and Mathematics (STEM) Endorsement

- Engineering (Autodesk Innovator's Certification, Autodesk Auto Cad User's Certification, and OSHA)

**Instructional Technology** – The District has successfully sustained a District-wide Student Technology Initiative (STI) program in which notebook devices are actively used by students, grades K -12. Each year, additional devices are purchased as needs arise. Student access to STI devices has supported the District's transition to digital instructional materials in English language arts, mathematics, science, social studies, and elective courses.

In addition, the District has been working toward a paperless instructional environment since the beginning of our STI program in 2011. The two primary components necessary to moving that direction involve students having mobile computing devices and teachers having classroom technology that allow them to interact seamlessly without the normal exchange of paper.

Due to the COVID-19 pandemic that closed schools in March 2020, District teachers and students were immediately immersed in a virtual learning environment. The District was able to be successful virtually because the District had previously invested in the technology and instructional training necessary to accomplish this unprecedented task.

**Public Support** - Pursuant to voter approval of a \$260 million bond authorization on August 12, 2015, the District sold \$72,545,000 in bonds. Additionally, another \$43,385,000 in bonds was sold on June 7, 2016 and \$26,550,000 on February 19, 2020. At the end of the 2019-20 school year, all construction projects were 100% complete. These bonds have allowed the District to make substantial improvements resulting in improved student and staff morale as well as creating an attractive environment to draw future families and students to the La Porte community.

The District has received an enormous amount of public support as we have worked to mitigate the negative impact of COVID-19. During the summer of 2020, the District went through a series of informational videos and mass communications to educate our public on our Return to Learn Plan. In addition to the support the District received, we received personal protective equipment from the TEA to help offset some of the costs associated with COVID-19 and its affects upon the District. The District continues to work with our stakeholders in keeping them informed of our weekly COVID-19 updates and our continuous efforts to support our teachers and students in the classroom.

### **Awards and Acknowledgments**

#### **Financial Reporting Awards**

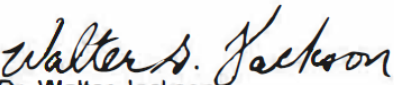
The TEA has awarded the District a rating of "Superior" for the year ended June 30, 2019. This is the eighteenth year of the State's financial accountability rating system for school districts ("School FIRST"). The District has received the highest possible rating for the past eighteen years. The rating is based upon an analysis of staff and student data reported for the 2018-2019 school year and budgetary and actual financial data for the fiscal year ended June 30, 2019. The primary goal of School FIRST is to ensure quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

The District was also awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its CAFR for the fiscal year ended June 30, 2019. The District believes that the current CAFR continues to conform to the standards for which this award is granted and we will again submit the report for review.

**Acknowledgments** – As we come to the completion of construction, we would like to express appreciation to all the stakeholders of the community for voting for the 2014 \$260 million bond referendum. We would also like to express appreciation to the Board for its concern for providing fiscal accountability to patrons of our District and for its leadership in the development of one of the best educational operations within the State of Texas. Countless hours have been devoted to this District by teachers, principals, and supporting staff and thanks is extended to the entire District Team that has worked so hard to provide the high-quality, cost-efficient education to the students we serve. Additionally, the preparation of this report was accomplished through much time and effort on the part of the District Finance department, and special appreciation is expressed to them.

  
Dr. Walter Jackson  
Superintendent

  
Rhonda Cumbie  
Chief Financial Officer

  
Sheila V. Cantu  
Director of Finance

CERTIFICATE OF BOARD


La Porte Independent School District  
Name of School District

Harris  
County

101-916  
Co. Dist. Number

We, the undersigned, clarify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2020, at a meeting of the Board of Trustees of such school district on the 10th day of November, 2020.

  
Signature of Board Secretary

  
Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):

(attach list as necessary)

**La Porte Independent School District**  
Principal Officials and Advisors

**Board of Trustees**

<b>Trustee</b>	<b>Office</b>	<b>Completed Years of Service</b>	<b>Term Expires May</b>	<b>Occupation</b>
Lee Wallace	President	10	2021	Retired GB Biosciences
Dennis Slate	Vice President	3	2020	Retired Police Officer
Lois Rogerson	Secretary	7	2020	Retired Teacher
Kathy Green	Trustee	16	2020	Retired
David Janda	Trustee	8	2021	Teacher
Dee Anne Thomson	Trustee	10	2022	Warehouse Operations Manager
Charlcy Wheeler	Trustee	16	2022	Retired

**Administrative Officials**

<b>Official</b>	<b>Position</b>	<b>Years of Service</b>	
		<b>Total</b>	<b>District</b>
Dr. Walter Jackson	Superintendent	26	0
Rhonda Cumbie	Chief Financial Officer	23	12
Dr. Linda Wadleigh	Deputy Superintendent	35	20
Mike Clausen	Deputy Superintendent	51	51
Danette Tilley	Executive Director, Secondary Education	31	16
Jewel Whitfield	Executive Director, Elementary Education	23	20
Angela Garza-Viator	Executive Director, Human Resources	22	22
Sheila V. Cantu	Director of Finance	19	12
Adam Holland	Director, Communications & Community Relations	14	5

**Consultants and Advisors**

**Belt Harris Pechacek, LLLP.**

Independent Auditors

3210 Bingle Rd, Suite 300 • Houston, Texas 77055

**Andrews Kurth, L.L.P.**

Bond Counsel

600 Travis, Suite 4200 • Houston, Texas 77046

**SAMCO Capital Markets, Inc.**

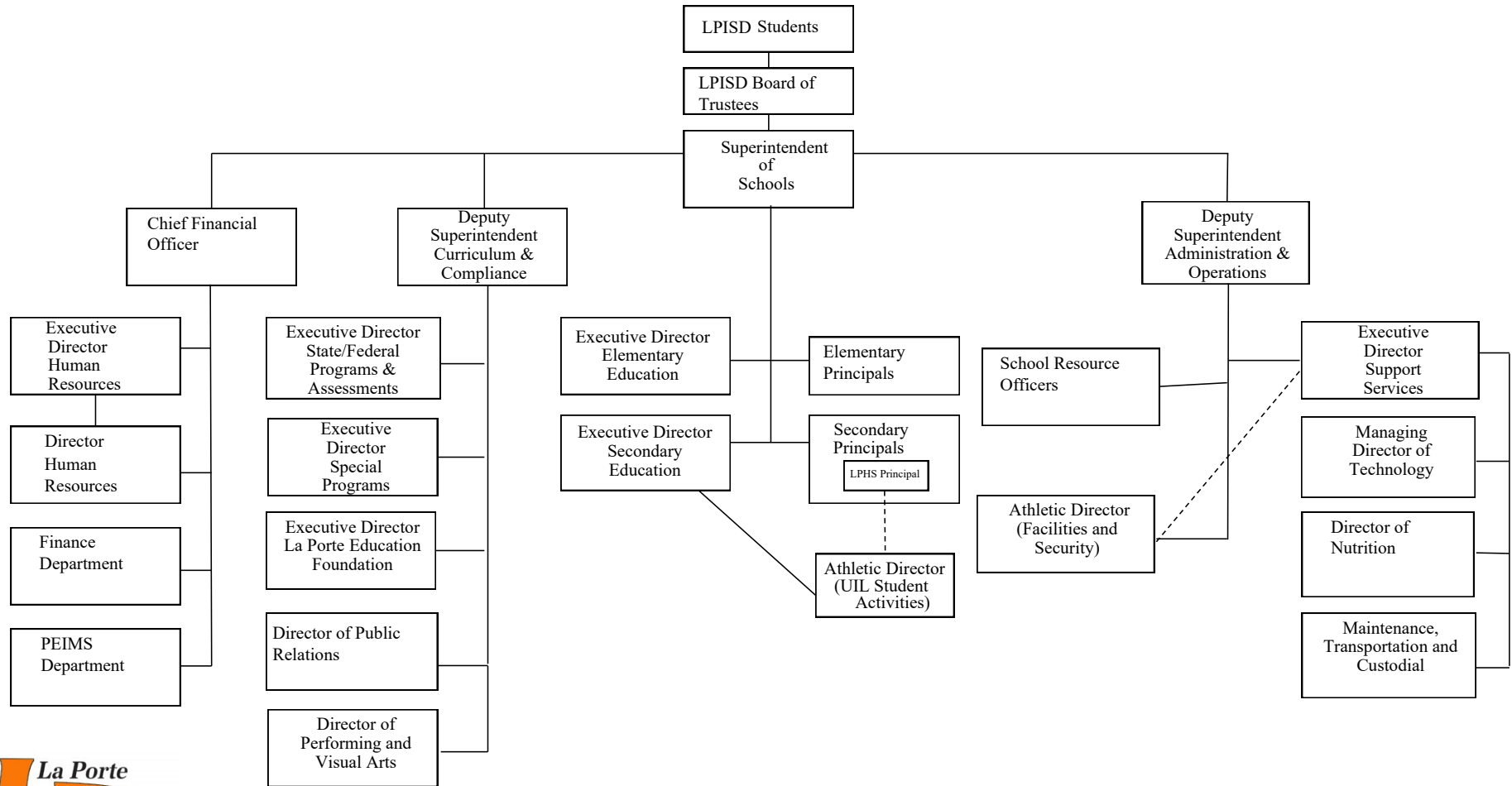
Financial Advisor

11111 Katy Freeway #820 • Houston, Texas 77079

# La Porte Independent School District Organizational Chart

2019-2020

11





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**La Porte Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**La Porte Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

**Claire Hertz, SFO**  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
Executive Director



## ***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

To the Board of Trustees of  
La Porte Independent School District:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Porte Independent School District (the "District"), as of and for the year ended June 30, 2020, 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.

### **Auditors' 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 auditors' 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, 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 the Management's Discussion and Analysis, budgetary comparison information, schedules of the District's proportionate share of the net pension and other postemployment benefits liability, and schedules of District contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, statistical information, and the schedule of required responses to selected school first indicators are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory section and the schedule of required responses to selected school first indicators 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 10, 2020 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 the effectiveness of the District's 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.

The logo for Belt Harris Pechacek, LLP features the names 'Belt', 'Harris', and 'Pechacek' in a large, elegant, cursive script. The word 'Belt' is in a dark blue color, while 'Harris' and 'Pechacek' are in a dark red color. To the right of the names, 'LLP' is written in a smaller, dark blue, sans-serif font.

Belt Harris Pechacek, LLP  
*Certified Public Accountants*  
Houston, Texas  
November 10, 2020



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



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### For the Year Ended June 30, 2020

As the management of the La Porte 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, 2020. We encourage readers to consider the information presented here in conjunction with the notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial condition.

#### FINANCIAL HIGHLIGHTS

- The District's total combined net position at June 30, 2020 was \$41,089,043.
- For the fiscal year ended June 30, 2020, the District's general fund reported a total fund balance of \$54,387,098, of which \$1,577,904 is nonspendable for inventories and prepaid items, \$2,214,153 is committed for self-insurance and compensated absences and \$50,595,041 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$101,035,015.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short-term*, as well as what remains for future spending.
- The *proprietary fund* statements provide information related to the District's internal service funds.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the fiduciary resources belong. This fund includes student activity funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

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

**For the Year Ended June 30, 2020**

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide statements report information about the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other nonfinancial factors, such as changes in the District's tax base, staffing patterns, enrollment, and attendance, need to be considered in order to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities include the following class of activities:

*Governmental Activities* – Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

The government-wide financial statements can be found after the MD&A.

### **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity – these assets do not belong to the District, but the District is responsible to properly account for them.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

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

For the Year Ended June 30, 2020

The District has the following kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* – The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for workers' compensation self-insurance claims and fees, the District's child care service, as well as activity in the District's print shop. The internal service funds are included within *governmental activities* in the government-wide financial statements.
- *Fiduciary funds* – The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$41,089,043 at June 30, 2020. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2020. Current assets and long-term liabilities both experienced increases in the current year primarily related to the issuance of new bonds for the purpose of school building additions as well as renovation projects within the District. The District reported an increase of \$7,363,248 in combined net position from the prior year. An increase in certain State grants, along with decreasing expenses due to chapter 41 recapture payments, contributed to this increase.

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
For the Year Ended June 30, 2020

**Table 1**

**Net Position**

<b>Description</b>	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2020</b>	<b>2019</b>	<b>2020-2019</b>
Current assets	\$ 150,504,948	\$ 88,462,729	\$ 62,042,219
Capital assets	345,932,577	356,437,747	(10,505,170)
<b>Total Assets</b>	<b>496,437,525</b>	<b>444,900,476</b>	<b>51,537,049</b>
Deferred charge on refunding	6,286,010	7,143,454	(857,444)
Deferred outflows - pensions	11,679,830	14,436,552	(2,756,722)
Deferred outflows - OPEB	4,645,147	3,936,131	709,016
<b>Total Deferred Outflows of Resources</b>	<b>22,610,987</b>	<b>25,516,137</b>	<b>(2,905,150)</b>
Current liabilities	49,956,061	23,478,109	26,477,952
Long-term liabilities	410,375,357	401,833,950	8,541,407
<b>Total Liabilities</b>	<b>460,331,418</b>	<b>425,312,059</b>	<b>35,019,359</b>
Deferred inflows - pensions	4,687,315	1,566,661	3,120,654
Deferred inflows - OPEB	12,940,736	9,812,098	3,128,638
<b>Total Deferred Inflows of Resources</b>	<b>17,628,051</b>	<b>11,378,759</b>	<b>6,249,292</b>
<b>Net Position:</b>			
Net investment in capital assets	27,121,161	31,956,441	(4,835,280)
Restricted	8,785,778	6,796,928	1,988,850
Unrestricted	5,182,104	(5,027,574)	10,209,678
<b>Total Net Position</b>	<b>\$ 41,089,043</b>	<b>\$ 33,725,795</b>	<b>\$ 7,363,248</b>

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
For the Year Ended June 30, 2020

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Total Change
	2020	2019	2020-2019
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 1,389,395	\$ 1,766,660	\$ (377,265)
Operating grants and contributions	9,666,866	9,574,383	92,483
General revenues:			
Property taxes	131,967,211	127,123,586	4,843,625
Grants and contributions not restricted for specific programs	18,959,584	11,823,223	7,136,361
Investment earnings	1,374,315	1,829,958	(455,643)
Other revenue	6,670,886	8,719,292	(2,048,406)
Gain on sale of capital asset	675,776	-	675,776
<b>Total Revenue</b>	<b>170,704,033</b>	<b>160,837,102</b>	<b>9,866,931</b>
<b>Expenses:</b>			
Instruction	61,008,278	58,059,849	2,948,429
Instructional resources and media services	383,664	371,144	12,520
Curriculum/instructional staff development	941,971	985,087	(43,116)
Instructional leadership	1,229,030	1,155,213	73,817
School leadership	5,132,269	4,852,010	280,259
Guidance, counseling, and evaluation services	4,237,356	3,960,798	276,558
Social work services	247,234	268,286	(21,052)
Health services	994,588	1,002,204	(7,616)
Student (pupil) transportation	3,085,934	3,068,613	17,321
Food services	4,069,215	4,567,997	(498,782)
E data process	2,614,667	2,726,363	(111,696)
General administration	3,688,217	3,339,518	348,699
Plant maintenance and operations	11,457,636	11,491,142	(33,506)
Security and monitoring services	1,813,636	1,933,772	(120,136)
Data processing services	3,903,305	2,896,056	1,007,249
Community services	66,847	28,609	38,238
Debt service - interest	11,548,802	12,473,266	(924,464)
Bond issuance costs and fees	236,690	8,000	228,690
Contracted instructional services between schools	41,571,997	46,925,331	(5,353,334)
Payments to fiscal agent/member districts of SSA	171,317	128,845	42,472
Payments to juvenile justice alternative education programs	59,400	59,400	-
Payments to tax increment fund	3,810,140	2,779,617	1,030,523
Other intergovernmental charges	1,068,592	1,037,446	31,146
<b>Total Expenses</b>	<b>163,340,785</b>	<b>164,118,566</b>	<b>(777,781)</b>
<b>Change in Net Position</b>	<b>7,363,248</b>	<b>(3,281,464)</b>	<b>10,644,712</b>
Beginning net position	33,725,795	37,007,259	(3,281,464)
<b>Ending Net Position</b>	<b>\$ 41,089,043</b>	<b>\$ 33,725,795</b>	<b>\$ 7,363,248</b>

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

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

### **For the Year Ended June 30, 2020**

#### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At the close of the fiscal year ending June 30, 2020, the District's governmental funds reported a combined fund balance of \$101,035,015. This compares to a combined fund balance of \$66,032,356 at June 30, 2019.

The general fund fund balance at the end of the fiscal year was \$54,387,098, which represented an increase of \$14,030,371 from the prior year. This increase was primarily due to an increase in State grants received, as well as a decrease in Chapter 41 recapture payments the District is required to make to the State.

The debt service fund fund balance at the end of the fiscal year was \$9,543,909, which represented a decrease of \$1,273,496 from the prior year. This decrease was primarily due to debt service payments exceeding interest and sinking property tax revenue for the year.

The capital projects fund fund balance at the end of the fiscal year was \$32,291,093, which represented an increase of \$22,824,017 from the prior year. This increase was primarily due to new debt issued during the fiscal year.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended June 30, 2020, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. The general fund's budgeted revenues exceeded actual revenues by \$3,390,067 primarily due to less state aid received than anticipated. Budgeted expenditures exceeded actual expenditures by \$5,934,969 primarily due to positive variances in function 11 as a result of less instructional costs occurred than anticipated, as well as in function 91 due to chapter 41 recapture payments being less than anticipated.

#### **CAPITAL ASSETS**

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the fiscal year ended June 30, 2020, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At June 30, 2020, the District had a total of \$345,932,577 invested in capital assets (net of accumulated depreciation) such as land, construction in progress, buildings, and District equipment. This total includes \$2,547,029 invested during the fiscal year ended June 30, 2020.

More detailed information about the District's capital assets can be found in the notes to the financial statements.

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

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

### **For the Year Ended June 30, 2020**

#### **LONG-TERM DEBT**

At year end, the District had \$353,695,936 in general obligation bonds outstanding versus \$341,038,095 last year. General obligation bonds increased by \$26,550,000 due to the issuance of the Unlimited School Building Bonds, Series 2020. These funds will be used for several building addition projects as well as ongoing renovation of existing facilities.

More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's budgeted expenditures for the 2020-2021 school year total \$171,546,303 and the District's Board of Trustees adopted an M & O tax rate of \$1.04 and an I & S rate of \$.23 for a combined rate of \$1.27.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at 1002 San Jacinto St, La Porte, Texas 77571 , or by calling (281)604-7048.



## ***BASIC FINANCIAL STATEMENTS***



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF NET POSITION - EXHIBIT A-1

June 30, 2020

<b>Data Control Codes</b>		<b>1 Governmental Activities</b>
	<b><u>Assets</u></b>	
1110	Cash and cash equivalents	\$ 138,102,268
1120	Investments	5,000,000
1220	Property taxes receivable	3,248,349
1230	Allowance for uncollectible taxes	(983,600)
1240	Due from other governments	3,230,903
1250	Accrued interest	26,088
1267	Due from fiduciary funds	550
1290	Other receivables	90,490
1300	Inventories	158,263
1410	Prepays	1,631,637
		<u>150,504,948</u>
	Capital assets:	
1510	Land	10,371,379
1520	Buildings and improvements, net	326,556,025
1530	Equipment and vehicles, net	9,005,173
		<u>345,932,577</u>
1000	<b>Total Assets</b>	<u>496,437,525</u>
	<b><u>Deferred Outflows of Resources</u></b>	
1700	Deferred charge on refunding	6,286,010
1705	Deferred outflows - pensions	11,679,830
1710	Deferred outflows - OPEB	4,645,147
1700	<b>Total Deferred Outflows of Resources</b>	<u>22,610,987</u>
	<b><u>Liabilities</u></b>	
2110	Accounts payable	953,905
2140	Interest payable	4,657,851
2165	Accrued liabilities	2,379,706
2180	Due to other governments	41,603,413
2300	Unearned revenue	361,186
		<u>49,956,061</u>
	Noncurrent liabilities:	
2501	Long-term liabilities due within one year	15,448,625
2502	Long-term liabilities due in more than one year	394,926,732
2000	<b>Total Liabilities</b>	<u>460,331,418</u>
	<b><u>Deferred Inflows of Resources</u></b>	
2605	Deferred inflows - pensions	4,687,315
2610	Deferred inflows - OPEB	12,940,736
2600	<b>Total Deferred Inflows of Resources</b>	<u>17,628,051</u>
	<b><u>Net Position</u></b>	
3200	Net investment in capital assets	27,121,161
	Restricted for:	
3850	Debt service	4,886,058
3860	Capital projects	3,599,558
3890	Grant funds	300,162
3900	Unrestricted	5,182,104
3000	<b>Total Net Position</b>	<u>\$ 41,089,043</u>

See Notes to Financial Statements.

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES - EXHIBIT B-1

For the Year Ended June 30, 2020

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense)
			3 Charges for Services	4 Operating Grants and Contributions	6 Primary Gov. Governmental Activities
	<b>Governmental Activities</b>				
11	Instruction	\$ 61,008,278	\$ 78,631	\$ 4,053,586	\$ (56,876,061)
12	Instructional resources				
12	and media services	383,664	15,921	7,740	(360,003)
13	Curriculum/instructional				
13	staff development	941,971	4,908	243,071	(693,992)
21	Instructional leadership	1,229,030	-	204,546	(1,024,484)
23	School leadership	5,132,269	11,013	186,041	(4,935,215)
31	Guidance, counseling, and				
31	evaluation services	4,237,356	1,088	1,656,240	(2,580,028)
32	Social work services	247,234	-	2,209	(245,025)
33	Health services	994,588	306	39,193	(955,089)
34	Student (pupil) transportation	3,085,934	211	58,178	(3,027,545)
35	Food services	4,069,215	939,988	2,838,572	(290,655)
36	Extracurricular activities	2,614,667	333,992	57,680	(2,222,995)
41	General administration	3,688,217	92	70,351	(3,617,774)
51	Plant maintenance and operations	11,457,636	551	157,509	(11,299,576)
52	Security and monitoring services	1,813,636	-	24,547	(1,789,089)
53	Data processing services	3,903,305	305	40,852	(3,862,148)
61	Community services	66,847	2,389	26,551	(37,907)
72	Debt service - interest	11,548,802	-	-	(11,548,802)
73	Bond issuance costs and fees	236,690	-	-	(236,690)
91	Contracted instructional services				
91	between schools	41,571,997	-	-	(41,571,997)
93	Payments to fiscal agent/member				
93	districts of SSA	171,317	-	-	(171,317)
95	Payments to juvenile justice				
95	alternative education programs	59,400	-	-	(59,400)
97	Payments to tax increment fund	3,810,140	-	-	(3,810,140)
99	Other intergovernmental charges	1,068,592	-	-	(1,068,592)
	<b>Total Governmental Activities</b>	<u>\$ 163,340,785</u>	<u>\$ 1,389,395</u>	<u>\$ 9,666,866</u>	<u>(152,284,524)</u>
	<b>General Revenues</b>				
MT	Property taxes, levied for general purposes				105,161,625
DT	Property taxes, levied for debt service				26,805,586
GC	Grants and contributions not restricted				
GC	for specific programs				18,959,584
IE	Investment earnings				1,374,315
MI	Miscellaneous local and intermediate revenue				6,670,886
GA	Gain on sale of capital asset				675,776
TR				<b>Total General Revenues</b>	<u>159,647,772</u>
CN				<b>Change in Net Position</b>	<u>7,363,248</u>
NB	Beginning net position				<u>33,725,795</u>
NE				<b>Ending Net Position</b>	<u>\$ 41,089,043</u>

See Notes to Financial Statements.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## BALANCE SHEET

### GOVERNMENTAL FUNDS - EXHIBIT C-1

June 30, 2020

Data Control Codes		199	599	699	Total Nonmajor Funds
		General	Debt Service	Capital Projects	
	<b>Assets:</b>				
1110	Cash and cash equivalents	\$ 89,927,289	\$ 9,405,502	\$ 31,394,640	\$ 5,154,259
1120	Investments	5,000,000	-	-	-
1220	Property taxes receivable	2,601,784	646,565	-	-
1230	Allowance for uncollectibles	(780,000)	(203,600)	-	-
1240	Due from other governments	1,121,726	129,333	1,250,202	729,642
1250	Accrued interest	26,088	-	-	-
1260	Due from other funds	497,182	40,487	6,879	52,348
1290	Other receivables	1,283	-	73,569	15,638
1300	Inventories	16,584	-	28,352	80,850
1410	Prepaid items	1,561,320	-	64,673	-
1000	<b>Total Assets</b>	<u>\$ 99,973,256</u>	<u>\$ 10,018,287</u>	<u>\$ 32,818,315</u>	<u>\$ 6,032,737</u>
	<b>Liabilities:</b>				
2110	Accounts payable	\$ 183,231	\$ -	\$ 437,055	\$ 332,450
2150	Payroll deductions	571,633	-	-	-
2160	Accrued wages payable	1,256,184	-	-	161,899
2170	Due to other funds	161,329	-	90,167	384,287
2180	Due to other governments	41,571,997	31,413	-	-
2300	Unearned revenue	20,000	-	-	341,186
2000	<b>Total Liabilities</b>	<u>43,764,374</u>	<u>31,413</u>	<u>527,222</u>	<u>1,219,822</u>
	<b>Deferred Inflows of Resources:</b>				
2600	Unavailable revenue - property taxes	<u>1,821,784</u>	<u>442,965</u>	<u>-</u>	<u>-</u>
	<b>Fund Balances:</b>				
3410	Nonspendable - inventories	16,584	-	28,352	80,850
3430	Nonspendable - prepaid items	1,561,320	-	64,673	-
3450	Restricted - grants	-	-	-	300,162
3470	Restricted - capital acquisitions	-	-	32,198,068	-
3470	and contractual obligations	-	-	-	-
3480	Restricted - debt service	-	9,543,909	-	-
3540	Committed - self-insurance	1,000,000	-	-	-
3520	Committed - compensated absences	1,214,153	-	-	26,516
3545	Committed - student	-	-	-	-
3545	achievement and safety	-	-	-	4,405,387
3600	Unassigned	50,595,041	-	-	-
3000	<b>Total Fund Balances</b>	<u>54,387,098</u>	<u>9,543,909</u>	<u>32,291,093</u>	<u>4,812,915</u>
4000	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 99,973,256</u>	<u>\$ 10,018,287</u>	<u>\$ 32,818,315</u>	<u>\$ 6,032,737</u>

See Notes to Financial Statements.

**98**  
**Total**  
**Governmental**  
**Funds**

---

\$	135,881,690
	5,000,000
	3,248,349
	(983,600)
	3,230,903
	26,088
	596,896
	90,490
	125,786
	1,625,993
\$	148,842,595

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\$	952,736
	571,633
	1,418,083
	635,783
	41,603,410
	361,186
	45,542,831

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	2,264,749
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	125,786
	1,625,993
	300,162
	32,198,068
	9,543,909
	1,000,000
	1,240,669
	4,405,387
	50,595,041
	101,035,015
\$	148,842,595

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION - EXHIBIT C-1R**  
**June 30, 2020**

Total fund balances for governmental funds	\$	101,035,015
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - nondepreciable	10,371,379	
Capital assets - depreciable, net	335,561,198	
		345,932,577

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		2,264,749
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The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position		1,906,974
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Some liabilities, including bonds payable and the net pension and net other postemployment liability (OPEB) are not reported as liabilities in the governmental funds.

Accrued interest	(4,657,851)	
Deferred outflows - pensions	11,679,830	
Deferred inflows - pensions	(4,687,315)	
Deferred outflows - OPEB	4,645,147	
Deferred inflows - OPEB	(12,940,736)	
Deferred charges on refunding	6,286,010	
Noncurrent liabilities due in one year	(15,448,625)	
Noncurrent liabilities due in more than one year	(394,926,732)	(410,050,272)

<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>41,089,043</b>
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See Notes to Financial Statements.

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS - EXHIBIT C-2**

For the Year Ended June 30, 2020

Data Control Codes		199	599	699	Total
		General	Debt Service	Capital Projects	Nonmajor Funds
	<b>Revenues</b>				
5700	Local and intermediate sources	\$ 112,230,164	\$ 27,080,450	\$ 1,455,623	\$ 1,562,395
5800	State program revenues	16,572,597	176,363	-	930,048
5900	Federal program revenues	2,210,624	-	-	5,216,922
5020	<b>Total Revenues</b>	<b>131,013,385</b>	<b>27,256,813</b>	<b>1,455,623</b>	<b>7,709,365</b>
	<b>Expenditures</b>				
0011	Instruction	42,385,111	-	1,338,857	2,286,434
0012	Instructional resources and media services	347,449	-	-	15,921
0013	Curriculum and instructional staff development	647,295	-	-	215,506
0021	Instructional leadership	923,896	-	-	147,047
0023	School leadership	4,672,012	-	-	14,755
0031	Guidance, counseling, and evaluation services	2,268,446	-	-	1,440,657
0032	Social work services	241,850	-	-	-
0033	Health services	898,274	-	-	518
0034	Student transportation	2,696,534	-	953,496	211
0035	Food service	-	-	-	3,653,925
0036	Extracurricular activities	1,448,979	-	-	334,242
0041	General administration	3,255,708	-	229,275	322
0051	Plant maintenance and operations	7,976,222	-	2,576,831	44,174
0052	Security and monitoring services	1,584,245	-	137,451	3,792
0053	Data processing services	1,549,366	-	1,888,595	4,041
0061	Community services	17,726	-	-	28,929
	Debt service:				
0071	Principal on long-term debt	-	15,385,000	-	-
0072	Interest on long-term debt	-	13,141,060	-	-
0073	Issuance costs and fees	-	236,690	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	1,507,101	85,574
	Intergovernmental:				
0091	Contracted instructional services				
0091	between schools	41,571,997	-	-	-
0093	Payment related to shared service arrangements	171,317	-	-	-
0095	Payments to juvenile justice				
0095	alternative education programs	59,400	-	-	-
0097	Payments to tax increment fund	3,810,140	-	-	-
0099	Other intergovernmental charges	1,068,592	-	-	-
6030	<b>Total Expenditures</b>	<b>117,594,559</b>	<b>28,762,750</b>	<b>8,631,606</b>	<b>8,276,048</b>
1100	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>13,418,826</b>	<b>(1,505,937)</b>	<b>(7,175,983)</b>	<b>(566,683)</b>
	<b>Other Financing Sources (Uses)</b>				
7911	Issuance of bonds	-	-	26,550,000	-
7912	Sale of capital assets	824,770	-	-	-
7915	Transfers in	11,550	-	-	-
7916	Premium/discount on bonds	-	232,441	3,450,000	-
8911	Transfers (out)	(224,775)	-	-	(11,550)
7080	<b>Total Other Financing Sources (Uses)</b>	<b>611,545</b>	<b>232,441</b>	<b>30,000,000</b>	<b>(11,550)</b>
1200	<b>Net Change in Fund Balances</b>	<b>14,030,371</b>	<b>(1,273,496)</b>	<b>22,824,017</b>	<b>(578,233)</b>
0100	Beginning fund balances	40,356,727	10,817,405	9,467,076	5,391,148
3000	<b>Ending Fund Balances</b>	<b>\$ 54,387,098</b>	<b>\$ 9,543,909</b>	<b>\$ 32,291,093</b>	<b>\$ 4,812,915</b>

See Notes to Financial Statements.

<b>98</b> <b>Total</b> <b>Governmental</b> <b>Funds</b>	
\$	142,328,632
	17,679,008
	7,427,546
	<u>167,435,186</u>
	46,010,402
	363,370
	862,801
	1,070,943
	4,686,767
	3,709,103
	241,850
	898,792
	3,650,241
	3,653,925
	1,783,221
	3,485,305
	10,597,227
	1,725,488
	3,442,002
	46,655
	15,385,000
	13,141,060
	236,690
	1,592,675
	41,571,997
	171,317
	59,400
	3,810,140
	1,068,592
	<u>163,264,963</u>
	<u>4,170,223</u>
	26,550,000
	824,770
	11,550
	3,682,441
	(236,325)
	<u>30,832,436</u>
	35,002,659
	66,032,356
\$	<u><u>101,035,015</u></u>

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES - EXHIBIT C-3**  
**For the Year Ended June 30, 2020**

Net change in fund balances - total governmental funds	\$	35,002,659
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation		(13,052,199)
Capital outlay (net of disposed assets)		2,547,029

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(276,127)
--	--	-----------

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal repayments		15,385,000
Issuance of bonds		(26,550,000)
Accrued interest		260,102
Amortization of loss on refunding		(857,444)
Amortization of premiums		(1,492,841)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		(59,437)
Change in net pension liability		2,228,384
Deferred outflows - pensions		(3,021,380)
Deferred inflows - pensions		(2,855,996)
Change in net OPEB liability		1,947,487
Deferred outflows - OPEB		349,348
Deferred inflows - OPEB		(2,768,970)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

		577,633
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<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>7,363,248</b>
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See Notes to Financial Statements.



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF NET POSITION PROPRIETARY FUNDS - EXHIBIT D-1

June 30, 2020

<b>Data Control Codes</b>		<b>Internal Service</b>
	<b><u>Assets</u></b>	
	Current assets:	
1110	Cash and cash equivalents	\$ 2,220,578
1260	Due from other funds	61,124
1300	Inventories, at cost	32,477
1410	Prepaid items	5,644
1000	<b>Total Assets</b>	<b>2,319,823</b>
	<b><u>Liabilities</u></b>	
	Current liabilities:	
2110	Accounts payable	1,169
2170	Due to other funds	21,687
2180	Due to other governments	3
2200	Accrued expenses	389,990
2000	<b>Total Liabilities</b>	<b>412,849</b>
	<b><u>Net Position</u></b>	
3900	Unrestricted	1,906,974
3000	<b>Total Net Position</b>	<b>\$ 1,906,974</b>

See Notes to Financial Statements.

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS - EXHIBIT D-2**  
For the Year Ended June 30, 2020

<u>Data Control Codes</u>		<u>Internal Service</u>
	<b><u>Operating Revenues</u></b>	
5700	Charges for services	\$ 895,270
5020		<u>895,270</u>
	<b>Total Operating Revenues</b>	
		<u>895,270</u>
	<b><u>Operating Expenses</u></b>	
6100	Payroll costs	322,897
6200	Professional and contracted services	155,661
6300	Supplies and materials	51,979
6400	Other operating costs	<u>15,286</u>
6030		<u>545,823</u>
	<b>Total Operating Expenses</b>	
		<u>545,823</u>
	<b>Operating Income</b>	<u>349,447</u>
	<b><u>Nonoperating Revenues</u></b>	
7020	Earnings on investments	3,411
7915	Transfers in	<u>224,775</u>
8030		<u>228,186</u>
	<b>Total Nonoperating Revenues</b>	
		<u>228,186</u>
1300		<b>Change in Net Position</b> 577,633
0100	Beginning net position	<u>1,329,341</u>
3300		<b>Ending Net Position</b> <u>\$ 1,906,974</u>

See Notes to Financial Statements.

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS - EXHIBIT D-3

For the Year Ended June 30, 2020

	<b>Internal Service</b>
<b><u>Cash Flows from Operating Activities</u></b>	
Cash received from user charges	\$ 895,270
Cash payments for insurance claims	(258,831)
Cash payments for other operating expenses	(454,269)
<b>Net Cash Provided by Operating Activities</b>	<b>182,170</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>	
Operating subsidies and transfers to other funds	224,775
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>224,775</b>
<b><u>Cash Flows from Investing Activities</u></b>	
Proceeds from earnings on investments	3,411
<b>Net Cash Provided by Investing Activities</b>	<b>3,411</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>410,356</b>
Beginning cash and cash equivalents, beginning of year	1,810,222
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 2,220,578</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income	\$ 349,447
<b>Effect of increases and (decreases) in current assets and liabilities</b>	
(Increase) in due from other funds	(3,215)
Decrease in inventory	8,876
(Increase) in prepaid items	(4,007)
Increase in accounts payable	908
(Decrease) in due to other funds	(26,054)
(Decrease) in due to other governments	(42)
(Decrease) in accrued liabilities	(143,743)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 182,170</b>

See Notes to Financial Statements.

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS - EXHIBIT E-1

June 30, 2020

Data Control Codes			820 Trust	865 Agency
<u>Assets</u>				
1110	Cash and cash equivalents		\$ 235,141	\$ 116,330
1260	Due from other funds		93	584
1000		Total Assets	235,234	116,914
<u>Liabilities</u>				
2110	Account payable		1,030	4,309
2170	Due to other funds		-	1,227
2190	Due to student groups		29,220	111,378
2000		Total Liabilities	30,250	116,914
<u>Net Position</u>				
3800	Held in trust for private purpose		204,984	-
		Total Net Position	\$ 204,984	\$ -

See Notes to Financial Statements.

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUNDS - EXHIBIT E-2

For the Year Ended June 30, 2020

<b>Data Control Codes</b>			<b>820 Trust</b>
	<b><u>Additions</u></b>		
5740	Gift and contributions		\$ 122,523
	<b>Total Additions</b>		<u>122,523</u>
	<b><u>Deductions</u></b>		
6399	Administrative costs		128,753
	<b>Total Deductions</b>		<u>128,753</u>
	<b>Change in Net Position</b>		(6,230)
	Beginning net position		<u>211,214</u>
	<b>Ending Net Position</b>		<u><u>\$ 204,984</u></u>

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

La Porte Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas (the “State”). It is governed by a seven-member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency’s (TEA) *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District’s financial reporting entity. No other entities have been included in the District’s reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

#### B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately.

#### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonable equivalent in value to the interfund services provided.

#### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District’s funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS, Continued***

**For the Year Ended June 30, 2020**

The District reports the following governmental funds:

### **General Fund**

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

### **Debt Service Fund**

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

### **Capital Projects Fund**

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

### **Special Revenue Funds**

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service or capital projects. The restricted proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund.

### **Proprietary Funds**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the District's business-type activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include charges for services. Operating expenses includes costs of material, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The proprietary fund type used by the District includes the following:

### **Internal Service Funds**

These funds are used to account for and report revenue and expenses related to services provided to parties inside the District on a cost-reimbursement basis. These funds account for the District's child care service, District's group health insurance benefits and workers' compensation risk management, as well as activity in the District's print shop. Because the principal users of the internal service funds are the District's governmental activities, this fund

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

type is included in the governmental activities column of the governmental-wide financial statements.

### **Fiduciary Funds**

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District has the following type of fiduciary funds:

#### **Agency Funds**

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's student activity funds.

#### **Trust Funds**

The trust funds are custodial in nature and do not present results of operations or have a measurement focus. Trust funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's private-purpose funds.

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the District.

### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

#### **2. Investments**

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Government investment pools and commercial paper

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

### 3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

### 4. Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 65 years
Equipment and Vehicles	5-20 years

### 5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

- 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.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

### 6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

### 7. Compensated Absences

Twelve-month employees with less than ten years of service accrue .834 days of vacation each month between July 1 and June 30. Twelve-month employees with great than 10 years of service accrue 1.25 vacation days each month between July 1 and June 30. Employees may accrue up to a maximum of 35 vacation days. Earned vacation time shall be paid to an employee who voluntarily separates from employment.

A permanent employee who was employed by the District prior to September 1, 1994, who contributes to the Teacher Retirement System (TRS) through payroll deductions, who was employed by the District for the past ten consecutive years, and who retires from the District under the provisions of TRS shall be paid for all unused state and local sick leave accrued while employed by the District. The total paid days cannot exceed 90 and will be based on the employee's then current rate during the 2003-2004 year.

In lieu of benefits provided in the preceding paragraph, an employee eligible for such benefits may opt to receive a lump sum equivalent to seventy percent of the eligible benefits made available by this policy in exchange for waiving all other benefits owed under this policy. The accrual for accumulated unpaid sick leave and vacation leave benefits has been recorded in the government-wide financial statements.

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS, Continued***

**For the Year Ended June 30, 2020**

### **8. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **9. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### **10. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District's Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS, Continued***

**For the Year Ended June 30, 2020**

### **11. Estimates**

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

### **12. Data Control Codes**

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

### **13. Pensions**

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

### **14. Other Postemployment Benefits**

The fiduciary net position of the TRS Texas Public School Retired Employees Group Insurance Program ("TRS-Care") 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 OPEB, 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.

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS, Continued***

**For the Year Ended June 30, 2020**

### **2. Property Taxes**

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The District adopts annual appropriations type budgets for the general fund, national school breakfast and lunch program special revenue fund, and the debt service fund using the same method of accounting as for financial reporting, as required by law. The remaining special revenue funds (primarily federal grant programs) utilize a managerial type budget. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which require an increase in total budgeted appropriations must be approved by the Board through a formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end.

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

The official school budget was prepared for adoption for budgeted governmental fund types by July 1, 2019. The budget was formally adopted by the Board at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the TEA through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all governmental fund types. Encumbrances for goods or purchased services are documented by purchase order contracts. Under Texas law, appropriations lapse at year end.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

As of June 30, 2020, the District had the following investments:

<u>Investments</u>	<u>Amount</u>	<u>Weighted Average Maturity (Years)</u>	<u>Rating</u>
Certificates of Deposit	\$ 5,000,000	1.02	N/A
Texpool Investment Pool	44,905,790	0.13	AAAm
Lone Star Investment Pool	37,848,672	0.10	AAA
Texas CLASS Investment Pool	48,013,762	0.23	AAA
Texas Term Cooperative Pool	2,619,936	0.22	AAA
<b>Total Investments</b>	<b>\$ 133,388,160</b>	<b>0.34</b>	

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/'P1' as provided by two of the top nationally recognized rating agencies. As of June 30, 2020, the District's investments in TexPool were rated 'AAAm', and investments in Lone Star, Texas CLASS and Texas Term were rated 'AAA' by Standard & Poor's.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of June 30, 2020, fair market values of pledged securities and FDIC coverage exceeded bank balances.

*Custodial credit risk – investments.* For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

#### TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS, Continued***

**For the Year Ended June 30, 2020**

portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

### **Texas CLASS**

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at [www.texasclass.com](http://www.texasclass.com).

### **Lone Star**

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board's eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and nonmembers. Lone Star is rated AAA by Standard and Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of one dollar. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight and Corporate Overnight maintain a net asset value of one dollar and the Corporate Overnight Plus maintains a net asset value of one dollar.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

### TexasTERM

The Texas Term Local Government Investment Pool ("TexasTERM") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTERM is administered by PFM Asset Management LLC, which also serves as the investment advisor. The reported value of TexasTERM is the same as the fair value of the TexasTERM shares. Investment options include TexasDAILY, a money market portfolio, that is rated AAAM by Standard and Poor's, and TexasTERM CD Purchase Program, a fixed rate, fixed-term investment option enabling investors to invest in FDIC insured certificates of deposit from banks throughout the United States.

### B. Capital Assets

A summary of changes in capital assets for governmental activities at year end is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 10,520,373	\$ -	\$ 148,994	\$ 10,371,379
Construction in progress	3,135	1,516,155	1,519,290	-
Total capital assets not being depreciated	<u>10,523,508</u>	<u>1,516,155</u>	<u>1,668,284</u>	<u>10,371,379</u>
Capital assets being depreciated:				
Buildings and improvements	435,231,666	1,519,290	-	436,750,956
Equipment and vehicles	26,606,012	1,179,868	-	27,785,880
Total other capital assets	<u>461,837,678</u>	<u>2,699,158</u>	<u>-</u>	<u>464,536,836</u>
Less accumulated depreciation for:				
Buildings and improvements	98,707,430	11,487,501	-	110,194,931
Equipment and vehicles	17,216,009	1,564,698	-	18,780,707
Total accumulated depreciation	<u>115,923,439</u>	<u>13,052,199</u>	<u>-</u>	<u>128,975,638</u>
Other capital assets, net	<u>345,914,239</u>	<u>(10,353,041)</u>	<u>-</u>	<u>335,561,198</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 356,437,747</u>	<u>\$ (8,836,886)</u>	<u>\$ 1,668,284</u>	<u>345,932,577</u>
			Less associated debt	(353,695,936)
			Plus unspent bond proceeds	28,598,510
			Plus deferred charge on refunding	<u>6,286,010</u>
			<b>Net Investment in Capital Assets</b>	<u>\$ 27,121,161</u>

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended June 30, 2020**

Depreciation was charged to governmental functions as follows:

	<b>Governmental Activities</b>
11 Instruction	\$ 10,792,412
12 Instructional resources/media services	1,424
21 Instructional leadership	17,905
23 School leadership	1,050
33 Health services	760
34 Student (pupil) transportation	208,742
35 Food services	111,424
36 Extracurricular activities	691,429
41 General administration	31,953
51 Plant maintenance and operations	738,543
52 Security and monitoring services	65,586
53 Data processing services	370,812
61 Community services	20,159
<b>Total Depreciation Expense</b>	<b>\$ 13,052,199</b>

**C. Long-Term Debt**

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds	\$ 319,985,000	\$ 26,550,000	\$ 15,385,000	\$ 331,150,000	\$ 15,340,000
Bond premiums	21,053,095	3,682,441	2,189,600	22,545,936	-
	<u>341,038,095</u>	<u>30,232,441</u>	<u>17,574,600</u>	<u>353,695,936 *</u>	<u>15,340,000</u>
Other liabilities:					
Compensated absences	1,181,231	118,875	59,438	1,240,668	108,625
Net pension liability	28,585,684	-	2,228,384	26,357,300	-
Net OPEB liability	31,028,940	-	1,947,487	29,081,453	-
<b>Total Governmental Activities</b>	<b>\$ 401,833,950</b>	<b>\$ 30,351,316</b>	<b>\$ 21,809,909</b>	<b>\$ 410,375,357</b>	<b>\$ 15,448,625</b>
				<u><b>Long-term liabilities due in more than one year</b></u>	
				<u><b>\$ 394,926,732</b></u>	
				<u><b>*Debt associated with capital assets</b></u>	
				<u><b>\$ 353,695,936</b></u>	

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, as well as for renovations and repairs to existing facilities as needed. The District issued the Unlimited School Building bonds Series 2020 in February 2020 for these purposes. These bonds will mature in February 2035 and have an interest rate of 2 to 5%.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the bonds in an irrevocable trust for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. There were no defeased bonds outstanding as of June 30, 2020.

Bonded debt payable as of June 30, 2020 is as follows:

<b>Date of Issue</b>	<b>Description</b>	<b>Interest Rate Payable</b>	<b>Original Amounts Issued</b>	<b>Amounts Outstanding 06/30/19</b>	<b>Retired Current Year</b>	<b>Amounts Outstanding 06/30/20</b>
2/19/2020	Unlimited Tax School Building Bonds Series 2020	2.00-5.00%	\$ 26,550,000	\$ -	\$ -	\$ 26,550,000
6/7/2016	Unlimited Tax School Building Bonds Series 2016	2.00-5.00%	\$ 43,385,000	35,780,000	630,000	35,150,000
4/19/2016	Unlimited Tax Refunding Bonds Series 2016	2.50-5.00%	\$ 21,370,000	20,185,000	1,300,000	18,885,000
8/12/2015	Unlimited Tax School Building Bonds Series 2015	3.00-5.00%	\$ 72,545,000	56,640,000	2,685,000	53,955,000
4/6/2015	Unlimited Tax Refunding Bonds Series 2015	3.00-5.00%	\$ 67,760,000	61,720,000	3,890,000	57,830,000
11/18/2014	Unlimited Tax Refunding Bonds Series 2014	4.38-5.00%	\$ 6,090,000	2,670,000	170,000	2,500,000
10/2/2014	Unlimited Tax School Building Bonds Series 2014	2.00-5.00%	\$ 99,675,000	82,880,000	1,855,000	81,025,000
5/17/2012	Unlimited Tax Refunding Bonds Series 2012	2.00-5.00%	\$ 40,685,000	38,230,000	2,205,000	36,025,000
9/14/2010	Unlimited Tax Schoolhouse Bonds Taxable Series 2010B (BABs)	3.52-4.64%	\$ 18,880,000	18,880,000	-	18,880,000
9/14/2010	Unlimited Tax Schoolhouse Bonds Series 2010A (Tax-Exempt)	2.00-4.00%	\$ 7,780,000	2,295,000	2,295,000	-
1/19/2010	Unlimited Tax Refunding Bonds, Series 2010	2.25-5.00%	\$ 19,500,000	705,000	355,000	350,000
<b>Totals</b>				<u>\$ 319,985,000</u>	<u>\$ 15,385,000</u>	<u>\$ 331,150,000</u>

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended June 30, 2020**

The annual requirements to amortize debt issues outstanding at year end were as follows:

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements</b>
2021	\$ 15,340,000	\$ 13,429,421	\$ 28,769,421
2022	15,915,000	12,673,802	28,588,802
2023	16,640,000	11,920,507	28,560,507
2024	17,405,000	11,214,235	28,619,235
2025	18,195,000	10,387,735	28,582,735
2026-2030	102,480,000	40,428,728	142,908,728
2031-2035	84,790,000	22,198,963	106,988,963
2036-2040	60,385,000	6,751,173	67,136,173
	<u>\$ 331,150,000</u>	<u>\$ 129,004,564</u>	<u>\$ 460,154,564</u>

**D. Operating Leases**

Commitments under operating leases (noncapitalized) for facilities and equipment are subject to fiscal funding clauses and are cancellable by the District. The District therefore is not obligated for minimum future rental payments as of June 30, 2020.

Rental expenditures for the fiscal year ended June 30, 2020 totaled \$249,719

**E. Interfund Transactions**

The interfund balances and transfers at June 30, 2020 were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>	<b>Amount</b>
State Funded Special Revenue	General	\$ 11,550
General	Internal service	224,775
	<b>Total</b>	<u>\$ 236,325</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

<b>Due From</b>	<b>Due To</b>	<b>Amount</b>
General	Nonmajor governmental	\$ 384,101
General	Capital projects	90,167
General	Internal service	21,687
General	Fiduciary	1,227
Nonmajor governmental	General	52,196
Nonmajor governmental	Nonmajor governmental	152
Debt service	General	40,487
Capital projects	General	6,879
Internal service	General	61,090
Fiduciary	General	677
Internal service	Nonmajor governmental	34
	<b>Total</b>	<u>\$ 658,697</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

### IV. OTHER INFORMATION

#### A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

Effective in fiscal year 2008, the District established a self-insurance plan for workers' compensation benefits for employees (the "Plan"). The District's retention of risk is \$1,000,000 per occurrence with an aggregate stop-loss limit of \$5,000,000. Claims incurred by the employees of the District are handled by a third-party administrator who is responsible for estimating losses to be incurred by the District and ultimately paid to the claimant.

Settled claims have not exceeded the aggregate coverage in any year the Plan has been in effect. Insurance coverage has not been reduced for the year from the prior year. Accrued claims payable of \$389,990 as of June 30, 2020 includes provisions for reported claims and claims incurred but not year reported is determined by estimating the amount that will ultimately be paid each claimant and is calculated and provided by the District's third-party administrator. Accrued claims payable have not been discounted to their present value as the District expects such claims to be paid within the following fiscal year. The District believes that any discount of the claims payable would not be material to the overall financial statements.

Changes in the Plan claims liability amount for the fiscal year ended June 30, 2020 are as follows:

	2020	2019
Liability, beginning of year	\$ 533,733	\$ 554,473
Current year claims charges and estimates	144,570	198,971
Claim payments	(288,313)	(219,711)
<b>Liability, End of Year</b>	<b>\$ 389,990</b>	<b>\$ 533,733</b>

#### B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## *NOTES TO FINANCIAL STATEMENTS, Continued*

For the Year Ended June 30, 2020

rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

### **C. Litigation**

The District is a party to various legal actions, none of which is believed by the administration or its legal counsel to have a material effect on the financial condition of the District. Accordingly no provision for losses has been recorded in the accompanying basic financial statements for such contingencies.

### **D. Defined Benefit Pension Plan**

#### **Teacher Retirement System**

##### **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 TRS. It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

##### **Pension Plan Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <http://www.trs.state.gov/TR%20Documents/cafr2019.pdf>, selecting About TRS, then Publications, then Financial Reports, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

##### **Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (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.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

There are no automatic postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

The Government Code section 821.006 prohibits benefit improvements if, as a result of the particular actions, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

In May 2019, the 86<sup>th</sup> Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increase from the State, participating employers, and active employees to make TRS actuarially sound. This action causing TRS to be actuarially sound allowed the legislature to approve funding for a thirteenth check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

### Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

Contribution Rates			
Fiscal Year	State	Public Education	Active
		Employer*	Employee
2019	6.80%	1.50%	7.70%
2020	7.50%	1.50%	7.70%
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

\*SB 12 requires an increase in employer contributions by public school districts, charter schools, and regional education service centers. Prior to SB12, only those employers not participating in Social Security were required to pay a 1.5% contribution. Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution irrespective of participation in Social Security.

### Contribution Rates

	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
NECE (State)	6.8%	6.8%
Employers	6.8%	6.8%

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

	Measurement Year (2019)	Fiscal Year (2020)
Employer contributions	\$ 1,774,686	\$ 1,704,530
Member contributions	\$ 4,126,955	\$ 4,218,965
NECE on-behalf contributions	\$ 2,400,673	\$ 3,076,101

Contributors to TRS include members, employers, and the State as the only NECE. The State is the employer for senior colleges, medical schools, and state agencies including TRS. In each respective role, the State contributes to TRS in accordance with state statutes and the General Appropriations Act.

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS 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 as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to TRS beginning in fiscal year 2020. The contribution rate, called the Public Education Employer Contribution (PEEC), will replace the Non-Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program surcharge that was in effect in fiscal year 2019.

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

- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the OASDI Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced by the PEEC explained above.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### For the Year Ended June 30, 2020

#### Actuarial Assumptions

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

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.3%
Salary increases including inflation	3.05% to 9.05%
Ad hoc postemployment benefit changes	None

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

#### Discount Rate

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

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS 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.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2019 are summarized below:

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return**  
**As of August 31, 2019**

<u>Asset Class</u>	<u>Fiscal Year 2019 Target Allocation (1)</u>	<u>New Target Allocation (2)</u>	<u>Long-Term Expected Geometric Real Rate of Return (3)</u>
<b>Global Equity</b>			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
<b>Stable Value</b>			
U.S. Treasuries (4)	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	0.0%	0.0%	0.0%
<b>Real Return</b>			
Global Inflation-Linked Bonds (4)	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources, and Infrastructure	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	8.0%	5.8%/6.5% (5)
<b>Leverage</b>			
<b>Expected Return</b>	100.0%	100.0%	7.2%

(1) Target allocations are based on the Strategic Asset Allocation as of fiscal year 2019.

(2) New allocations are based on the Strategic Asset Allocation to be implemented fiscal year 2020.

(3) Ten-year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.

(4) New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.

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

### Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the NPL:

	<u>1% Decrease in Discount Rate (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase in Discount Rate (8.25%)</u>
District's proportionate share of the net pension liability	<u>\$ 40,514,999</u>	<u>\$ 26,357,300</u>	<u>\$ 14,886,831</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

### Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability of \$26,357,300 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$	26,357,300
State's proportionate share that is associated with the District		35,655,846
<b>Total</b>	<b>\$</b>	<b>62,013,146</b>

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

At June 30, 2020, the District's proportion of the collective NPL was 0.0507036%, which was a decrease of 0.001230% from its proportion measured as of June 30, 2019.

### **Changes Since the Prior Actuarial Valuation**

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

For the year ended June 30, 2020, the District recognized pension expense of \$5,601,031 and revenue of \$5,601,031 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual economic experience	\$ 110,724	\$ (915,167)
Changes in actuarial assumptions	8,177,329	(3,379,259)
Difference between projected and actual investment earnings	264,658	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,681,527	(392,889)
Contributions paid to TRS subsequent to the measurement date	1,445,592	-
<b>Total</b>	<b>\$ 11,679,830</b>	<b>\$ (4,687,315)</b>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For 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:

<u>Year Ended June 30</u>	<u>Pension Expense</u>
2021	\$ 1,468,551
2022	1,162,604
2023	1,445,927
2024	1,340,271
2025	398,849
Thereafter	(269,279)
<b>Total</b>	<b>\$ 5,546,923</b>

### E. Defined Other Postemployment Benefit Plans

#### Plan Description

The District participates in TRS-Care. It is a multiple-employer, cost-sharing defined benefit OPEB plan that has a special funding situation. TRS-Care is administered through a trust by the TRS Board of Trustees (the "Board"). It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

#### OPEB Plan Fiduciary Net Position

Detailed information about TRS-Care's fiduciary net position is available in a separately issued TRS Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at [www.trs.texas.gov/TRS%20Documents/cafr2019.pdf](http://www.trs.texas.gov/TRS%20Documents/cafr2019.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

Components of the net OPEB liability of TRS-Care as of August 31, 2019 are as follows:

Total OPEB liability	\$ 48,583,247,239
Less: plan fiduciary net position	1,292,022,349
<b>Net OPEB Liability</b>	<b>\$ 47,291,224,890</b>

Net position as a percentage of total OPEB liability	2.66%
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#### Benefits Provided

TRS-Care provides a basic health insurance coverage, TRS-Care 1 (the "Basic Plan") at no cost to all retirees from public schools, charter schools, regional education service centers, and other educational districts who are members of TRS. 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 (the "Optional Health Insurance"). 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 ten years of service credit in TRS. The Board is granted the authority to establish basic and optional group insurance coverage for participants, as well as to

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

amend benefit terms as needed under Chapter 1575.052. There are no automatic postemployment benefit changes, including automatic cost-of-living adjustments.

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:

TRS-Care Plan Premium Rates			
	Medicare		Non-Medicare
Retiree*	\$	135	\$ 200
Retiree and spouse	\$	529	\$ 689
Retiree* and children	\$	468	\$ 408
Retiree and family	\$	1,020	\$ 999

*\*or surviving spouse*

### Contributions

Contribution rates for TRS-Care are established in state statute by the Texas Legislature and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care 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 does not have the authority to set or amend contribution rates.

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

Contribution Rates		
	Fiscal Year	
	2019	2020
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

	Measurement Year (2019)	Fiscal Year (2020)
Employer contributions	\$ 436,440	\$ 440,264
Member contributions	\$ 174,190	\$ 178,073
NECE on-behalf contributions	\$ 579,896	\$ 684,897

In addition to the employer contributions listed above, there is an additional surcharge to which all TRS employers are subject (regardless of whether or not they participate in TRS-Care). When

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

employers hire a TRS retiree, they are required to pay a monthly surcharge of \$535 per retiree to TRS-Care.

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$73.6 million in fiscal year 2019.

### Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

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

The initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2018 rolled forward to 8/31/2019
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.63%.as of August 31, 2018.
Aging factors	Based on plan-specific experience
Election rates	Normal retirement:65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases*	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

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 2.3%.
- 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 nonmedicare 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.

### Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. Because TRS-Care 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 NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

### Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis – The following schedule shows the impact of the net OPEB liability if the discount rate used was one percent less than and one percent greater than the discount rate that was used in measuring the net OPEB liability:

	<b>1% Decrease in Discount Rate (1.63%)</b>	<b>Current Discount Rate (2.63%)</b>	<b>1% Increase in Discount Rate (3.63%)</b>
District's proportionate share of the net OPEB liability	<u>\$ 35,110,646</u>	<u>\$ 29,081,453</u>	<u>\$ 24,364,811</u>

Healthcare Cost Trend Rates Sensitivity Analysis – The following presents the net OPEB liability of TRS-Care using the assumed healthcare cost trend rate of 8.5%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than or 1% higher than the assumed healthcare cost trend rate:

	<b>1% Decrease in Healthcare Cost Trend Rate</b>	<b>Current Healthcare Cost Trend Rate (3.51%)</b>	<b>1% Increase in Healthcare Cost Trend Rate</b>
District's proportionate share of the net OPEB liability	<u>\$ 23,723,630</u>	<u>\$ 29,081,453</u>	<u>\$ 36,258,478</u>

### OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2020, the District reported a liability of \$29,081,453 for its proportionate share of TRS-Care’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,

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2020

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	\$ 29,081,453
State's proportionate share that is associated with the District	38,642,747
<b>Total</b>	<b><u>\$ 67,724,200</u></b>

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

At the June 30, 2020 measurement date, the District's proportion of the collective net OPEB liability was 0.0614944% percent, which was a decrease of 0.0006493% as of June 30, 2019.

### Changes Since the Prior Actuarial Valuation

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

- The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.
- The healthcare trend rates were reset to better reflect TRS-Care's anticipated experience. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 70% to 60%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,018,464 and revenue of \$1,018,464 for support provided by the State.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2020

At June 30, 2020, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 1,426,692	\$ (4,758,871)
Changes in actuarial assumptions	1,615,248	(7,822,197)
Difference between projected and actual investment earnings	3,138	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,230,057	(359,668)
Contributions paid to TRS subsequent to the measurement date	370,012	-
<b>Total</b>	<u><u>\$ 4,645,147</u></u>	<u><u>\$ (12,940,736)</u></u>

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:

<u>Year Ended June 30</u>	<u>OPEB Expense</u>
2021	\$ (1,474,601)
2022	(1,474,601)
2023	(1,475,617)
2024	(1,476,197)
2025	(1,476,038)
Thereafter	(1,288,547)
<b>Total</b>	<u><u>\$ (8,665,601)</u></u>

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was 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 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 fiscal years ended June 30, 2020, 2019, and 2018, the subsidy payments received by TRS-Care on behalf of the District were \$233,163, \$206,420, and \$163,059, respectively.

### F. Unemployment Compensation

During the year ended June 30, 2020, the District provided unemployment compensation coverage to its employees 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 Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

As a self-funded member of the TASB Risk Management Fund, the District is solely responsible for all unemployment compensation claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service.

# **LA PORTE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS, Continued***

**For the Year Ended June 30, 2020**

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan 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 at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

### **G. Tax Abatements**

The District entered into various property tax abatement agreements (the "Agreements") with local businesses under Texas Tax Code, Title 3. Subtitle B. Chapter 313. Texas Economic Development Act (the Act). Under the Act, Texas school districts may grant property tax abatements according to the category of taxable value. The qualified property is limited only from maintenance and operation (M&O) property tax. The tax abatements, which are approved by the Texas Comptroller's office and the District's Board, are granted for the purpose of enhancing the local community; improving the public education system; creating high-paying jobs; and advancing economic development goals.

The Agreements are for local businesses to invest a minimum capital investment totaling \$210,000,000 within the District's boundaries during a qualifying period and to create jobs. Each investment would be limited to taxable value of the lesser of the qualified appraised value or \$30,000,000. The District's tax abatements expire in increments beginning in 2024 through 2031.

For the fiscal year ended June 30, 2020, the District has foregone collecting property taxes totaling approximately \$12.4 million resulting from the M&O tax rate of \$1.04 per \$100 of taxable value. The qualified property per the Agreement had a taxable value of approximately \$1.5 billion and was limited to a taxable value of \$210,000,000. However, in foregoing the property tax revenue, the District receives state funding through the Foundation School Program funding formula to offset the loss of property tax revenues.

### **H. Subsequent Event**

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay-at-home orders going into effect. The District suspended in-classroom learning for the remainder of the school year. While the initial event occurred prior to year-end, the District was, subsequent to year end, continuing to modify its operations to prevent the spread to protect students, staff, and the community as a whole, while balancing the educational needs of students. In August 2020, the District resumed its 2020-2021 school year starting on the regularly scheduled date with virtual learning for three weeks. On September 8th the classroom learning resumed, but the District provided parents and guardians the option for virtual learning on a six weeks grading period basis for secondary students and a nine-week grading period basis for elementary students. Approximately 56% of students elected virtual learning. The District has made numerous changes to its operations, including provisions for students and staff to wear masks, more frequent cleanings, and numerous other changes. While such changes cause a significant hardship and have increased expenses, such increases are nominal in comparison to the overall budget. The District is continuing to monitor exposure levels with students, staff and the community as a whole, but to date the overall exposure threat level has been sufficiently low to continue with in-class learning, but the District is ready to modify its plans if necessary. The District will continue to seek out additional funding to cover the increased costs in responding to the pandemic.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND - EXHIBIT G-1**  
For the Year Ended June 30, 2020

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	<b><u>Revenues</u></b>				
5700	Local, intermediate, and out-of-state	\$ 98,654,772	\$ 111,484,846	\$ 112,230,164	\$ 745,318
5800	State program revenues	5,463,150	20,853,693	16,572,597	(4,281,096)
5900	Federal program revenues	1,460,000	2,064,913	2,210,624	145,711
5020	<b>Total Revenues</b>	<u>105,577,922</u>	<u>134,403,452</u>	<u>131,013,385</u>	<u>(3,390,067)</u>
	<b><u>Expenditures</u></b>				
0011	Instruction	43,641,894	43,066,960	42,385,111	681,849
0012	Instructional resources	354,504	353,711	347,449	6,262
0013	Curriculum and staff development	740,926	686,765	647,295	39,470
0021	Instructional leadership	908,977	950,157	923,896	26,261
0023	School leadership	4,626,758	4,711,298	4,672,012	39,286
0031	Guidance, counseling, and				
0031	evaluation services	2,397,030	2,277,322	2,268,446	8,876
0032	Social work services	279,434	249,434	241,850	7,584
0033	Health services	965,956	929,338	898,274	31,064
0034	Student (pupil) transportation	3,005,408	2,954,408	2,696,534	257,874
0036	Extracurricular activities	1,861,807	1,586,532	1,448,979	137,553
0041	General administration	3,405,239	3,675,239	3,255,708	419,531
0051	Plant maintenance and operations	8,546,398	8,314,398	7,976,222	338,176
0052	Security and monitoring services	1,640,633	1,675,702	1,584,245	91,457
0053	Data processing services	1,637,801	1,555,801	1,549,366	6,435
0061	Community services	31,225	21,225	17,726	3,499
	<b>Intergovernmental:</b>				
0091	Contracted instructional services				
0091	between schools	33,711,076	45,384,702	41,571,997	3,812,705
0093	Shared service arrangements	183,464	183,464	171,317	12,147
0095	Payments to juvenile justice				
0095	alternative education programs	59,400	59,400	59,400	-
0097	Payments to tax increment fund	2,800,000	3,810,140	3,810,140	-
0099	Other intergovernmental charges	1,064,121	1,083,532	1,068,592	14,940
6030	<b>Total Expenditures</b>	<u>111,862,051</u>	<u>123,529,528</u>	<u>117,594,559</u>	<u>5,934,969</u>
1100	<b>Excess of Revenues Over Expenditures</b>	<u>(6,284,129)</u>	<u>10,873,924</u>	<u>13,418,826</u>	<u>2,544,902</u>
	<b><u>Other Financing Sources</u></b>				
7912	Sale of real or personal property	-	856,456	824,770	(31,686)
7915	Transfers in	-	-	11,550	11,550
8911	Transfers (out)	-	(300,000)	(224,775)	75,225
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>556,456</u>	<u>611,545</u>	<u>55,089</u>
1200	<b>Net Change in Fund Balance</b>	(6,284,129)	11,430,380	14,030,371	2,599,991
0100	Beginning fund balance	40,356,727	40,356,727	40,356,727	-
3000	<b>Ending Fund Balance</b>	<u>\$ 34,072,598</u>	<u>\$ 51,787,107</u>	<u>\$ 54,387,098</u>	<u>\$ 2,599,991</u>

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-2**  
**For the Year Ended June 30, 2020**

	Measurement Year*			
	2019	2018	2017	2016
District's proportion of the net pension liability	0.0507036%	0.0519339%	0.0507900%	0.0504400%
District's proportionate share of the net pension liability (asset)	\$ 26,357,300	\$ 28,585,684	\$ 16,241,030	\$ 19,059,283
State's proportionate share of the net pension associated with the District	35,655,846	39,477,362	23,985,725	29,292,219
<b>Total</b>	<b>\$ 62,013,146</b>	<b>\$ 68,063,046</b>	<b>\$ 40,226,755</b>	<b>\$ 48,351,502</b>
District's covered payroll**	\$ 53,578,488	\$ 53,503,293	\$ 52,116,034	\$ 50,779,368
District's proportionate share of the net pension liability as a percentage of its covered payroll	49.19%	53.43%	31.16%	37.53%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%

\* Only six years' worth of information is currently available.

**Notes to Required Supplementary Information:**

*Changes in Assumptions:*

The TPL, as of August 31, 2019, was developed using a roll-forward method from the August 31, 2018 valuation.

With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

The discount rate changed from 6.907% as of August 31, 2018 to 7.25% as of August 31, 2019.

*Changes in Benefits:* There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

Measurement Year*	
2015	2014
0.0513500%	0.0353100%

\$ 18,151,082      \$ 9,433,339

27,003,832	23,350,382
<u>\$ 45,154,914</u>	<u>\$ 32,783,721</u>

\$ 47,658,971      \$ 46,141,521

38.09%              20.44%

78.43%              83.25%

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-3**  
**Last 10 Fiscal Years\***

	Fiscal Year			
	2020	2019	2018	2017
Contractually required contribution	\$ 1,704,530	\$ 1,800,737	\$ 1,739,592	\$ 1,603,245
Contributions in relations to the contractually required contribution	1,704,530	1,800,737	1,739,592	1,603,245
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 54,791,753	\$ 53,578,488	\$ 53,503,293	\$ 51,900,186
Contributions as a percentage of covered payroll	3.11%	3.36%	3.25%	3.09%

\*Only six years of information is currently available.

Fiscal Year	
2016	2015
\$ 1,520,457	\$ 895,354
1,520,457	895,354
\$ -	\$ -
\$ 50,468,268	\$ 46,141,521
3.01%	1.94%

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE**  
**SHARE OF THE NET OPEB LIABILITY**  
**TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM**  
**(TRS-CARE) EXHIBIT G-4**  
**For the Year Ended June 30, 2020**

	Measurement Year*		
	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0614944%	0.0621437%	0.0595800%
District's proportionate share of the collective net OPEB liability	\$ 29,081,453	\$ 31,028,940	\$ 25,909,434
State's proportionate share of the collective net OPEB liability associated with the District	38,642,747	46,296,733	41,428,528
<b>Total</b>	<b>\$ 67,724,200</b>	<b>\$ 77,325,673</b>	<b>\$ 67,337,962</b>
District's covered payroll**	\$ 53,578,488	\$ 53,503,293	\$ 52,116,034
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	54.28%	57.99%	49.71%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

\* Only three years' worth of information is currently available.

**Notes to Required Supplementary Information:**

*Changes in Assumptions:*

The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.

The trend rates were reset to better reflect TRS's anticipated experience. This change increased the total OPEB liability.

The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.

*Changes in Benefits:* There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM**  
**(TRS-CARE) EXHIBIT G-5**  
**For the Year Ended June 30, 2020**

	Fiscal Year*		
	2020	2019	2018
Statutorily required contributions	\$ 440,264	\$ 431,500	\$ 411,241
Contributions in relations to the statutorily required contributions	440,264	431,500	411,241
<b>Contribution Deficiency (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 54,791,753	\$ 53,578,488	\$ 53,503,293
Contributions as a percentage of covered payroll	0.80%	0.81%	0.77%

\* Only three year's worth of information is currently available.



***SUPPLEMENTARY  
INFORMATION***



## ***NONMAJOR GOVERNMENTAL FUNDS***

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

#### Fund 211 ESEA Title I Part A.

Provide supplemental funds to help improve teaching and learning in high-poverty schools in particular for children most at-risk of meeting challenging state academic standards.

#### Fund 224 IDEA Part B Formula

Funds to operate educational programs for children with disabilities.

#### Fund 225 IDEA Part B Preschool

Funds to operate educational programs for preschool children with disabilities.

#### Fund 226 IDEA Part B Supplement

Funds to support regional day school programs for the deaf, private residential placements, priority projects, and other emerging needs for children with disabilities.

#### Fund 240 National School Breakfast and Lunch Program

Funds used for food service when the service is subsidized with federal reimbursement revenues from the United States Department of Agriculture (USDA).

#### Fund 244 Career and Technical Basic Grant

Funds to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment.

#### Fund 255 ESEA Title II Part A

Funds used to improve student academic achievement by improving teacher and principal quality and increasing the number of highly qualified teachers, principals, and assistant principals.

#### Fund 263 Title III Part A

Funds granted to improve the education of children with limited English proficiency by helping the children learn English and meet challenging academic achievement standards.

#### Fund 272 Medicaid Administration Claims

Funds allocated to reimburse eligible administrative costs for activities that implement the Medicaid state plan.

#### Fund 276 Instructional Continuity Grant

Funds for instructional continuity and administration costs.

#### Fund 289 Federally Funded Special Revenue

Funds for drug and violence prevention, character education, community service projects, conflict resolution and peer mediation programs, and other activities.

#### Fund 397 Advanced Placement Incentives

Funds to award campuses for Advanced Placement examinations.

#### Fund 410 State Instructional Materials

Funds for instructional materials to include textbooks, software, supplemental materials, DVDs, online services, open-source materials, and other means of conveying information electronically.

#### Fund 429 State Funded Special Revenue

Funds from the state for disaster relief and funds provided by the state through the sale of specialty license plates for public school libraries and to strengthen campus reading programs.

#### Fund 461 Campus Activity

Funds for transactions related to the principals' activity funds.

#### Fund 481 La Porte Education Foundation

Funds from the La Porte Education Foundation for grants awarded to teachers for innovative programs.

#### Fund 483 Local Grants and Donations

Funds from local businesses and grants for specific purposes.

#### Fund 484 SHAC-EKG Grant

Funds to allow EKGs for UIL student participants.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-1 (Page 1 of 2)

June 30, 2020

Data Control Codes		211	224	225	226
		ESEA Title I Part A Imp. Basic Programs	IDEA Part B Formula	IDEA Part B Preschool	IDEA-B Supplement
	<b><u>Assets</u></b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 160	\$ -
1240	Due from other governments	115,807	136,920	3,868	72,876
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories, at cost	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 115,807</u>	<u>\$ 136,920</u>	<u>\$ 4,028</u>	<u>\$ 72,876</u>
	<b><u>Liabilities</u></b>				
2110	Accounts payable	\$ 40,854	\$ -	\$ -	\$ -
2160	Accrued wages payable	21,310	48,749	1,276	-
2170	Due to other funds	53,643	88,171	2,752	72,876
2300	Unearned revenue	-	-	-	-
2000	<b>Total Liabilities</b>	<u>115,807</u>	<u>136,920</u>	<u>4,028</u>	<u>72,876</u>
	<b><u>Fund Balances</u></b>				
3410	Nonspendable - inventories	-	-	-	-
3450	Restricted - grants	-	-	-	-
3520	Committed -				
3520	compensated absences	-	-	-	-
3545	Committed - student				
3545	achievement and safety	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 115,807</u>	<u>\$ 136,920</u>	<u>\$ 4,028</u>	<u>\$ 72,876</u>

240	244	255	263	272	276
National Sch. Breakfast/ Lunch Program	Career and Technical Basic Grant	ESEA Title II Part A Training and Recruiting	Title III Part A English Language Acquisition	Medicaid Administ. Claiming Program	Instructional Continuity Grant
\$ 454,434	\$ -	\$ -	\$ -	\$ -	\$ -
44,955	9,284	12,401	-	26,612	24,500
51,867	-	-	-	-	-
-	-	-	-	-	-
78,843	-	-	-	-	-
<u>\$ 630,099</u>	<u>\$ 9,284</u>	<u>\$ 12,401</u>	<u>\$ -</u>	<u>\$ 26,612</u>	<u>\$ 24,500</u>
\$ 6,249	\$ -	\$ -	\$ -	\$ -	\$ -
63,133	-	3,733	-	-	-
87,538	9,284	8,668	-	5,407	24,500
88,863	-	-	-	-	-
<u>245,783</u>	<u>9,284</u>	<u>12,401</u>	<u>-</u>	<u>5,407</u>	<u>24,500</u>
78,843	-	-	-	-	-
278,957	-	-	-	21,205	-
26,516	-	-	-	-	-
-	-	-	-	-	-
<u>384,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,205</u>	<u>-</u>
<u>\$ 630,099</u>	<u>\$ 9,284</u>	<u>\$ 12,401</u>	<u>\$ -</u>	<u>\$ 26,612</u>	<u>\$ 24,500</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS - EXIBIT H-1 (Page 2 of 2)

June 30, 2020

Data Control Codes		289	397	410	429
		Federally Funded Special Rev. Funds	Advanced Placement Incentives	State Instructional Materials	State Funded Special Revenue Fund
<u>Assets</u>					
1110	Cash and cash equivalents	\$ 13,444	\$ 293	\$ 27	\$ 4,119,614
1240	Due from other governments	52,654	-	229,765	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 66,098</u>	<u>\$ 293</u>	<u>\$ 229,792</u>	<u>\$ 4,119,614</u>
<u>Liabilities</u>					
2110	Accounts payable	\$ -	\$ -	\$ 229,765	\$ 1,588
2160	Accrued wages payable	21,206	-	-	-
2170	Due to other funds	31,448	-	-	-
2300	Unearned revenue	13,444	293	27	225,016
2000	Total Liabilities	<u>66,098</u>	<u>293</u>	<u>229,792</u>	<u>226,604</u>
<u>Fund Balances</u>					
3410	Nonspendable - inventories	-	-	-	-
3450	Restricted - grants	-	-	-	-
3520	Committed -				
3520	compensated absences	-	-	-	-
3545	Committed - student				
3545	achievement and safety	-	-	-	3,893,010
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,893,010</u>
<u>Total Liabilities and Fund Balances</u>					
4000		<u>\$ 66,098</u>	<u>\$ 293</u>	<u>\$ 229,792</u>	<u>\$ 4,119,614</u>

461	481	483	484	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
Campus Activity	La Porte Education Foundation	Local Grants and Donations	SHAC-EKG Grant	
\$ 459,965	\$ 4,692	\$ 98,287	\$ 3,343	\$ 5,154,259
-	-	-	-	729,642
481	-	-	-	52,348
13,543	2,095	-	-	15,638
2,007	-	-	-	80,850
<u>\$ 475,996</u>	<u>\$ 6,787</u>	<u>\$ 98,287</u>	<u>\$ 3,343</u>	<u>\$ 6,032,737</u>
\$ 35,120	\$ 3,593	\$ 15,281	\$ -	\$ 332,450
2,492	-	-	-	161,899
-	-	-	-	384,287
13,543	-	-	-	341,186
<u>51,155</u>	<u>3,593</u>	<u>15,281</u>	<u>-</u>	<u>1,219,822</u>
2,007	-	-	-	80,850
-	-	-	-	300,162
-	-	-	-	26,516
<u>422,834</u>	<u>3,194</u>	<u>83,006</u>	<u>3,343</u>	<u>4,405,387</u>
<u>424,841</u>	<u>3,194</u>	<u>83,006</u>	<u>3,343</u>	<u>4,812,915</u>
<u>\$ 475,996</u>	<u>\$ 6,787</u>	<u>\$ 98,287</u>	<u>\$ 3,343</u>	<u>\$ 6,032,737</u>

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-2 (Page 1 of 2)**  
**For the Year Ended June 30, 2020**

Data Control Codes		211	224	225	226
		ESEA Title I Part A Imp. Basic Programs	IDEA Part B Formula	IDEA Part B Preschool	IDEA-B Supplement
	<b><u>Revenues</u></b>				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	828,708	1,390,428	28,948	72,876
5020	<b>Total Revenues</b>	<u>828,708</u>	<u>1,390,428</u>	<u>28,948</u>	<u>72,876</u>
	<b><u>Expenditures</u></b>				
0011	Instruction	758,219	226,960	28,948	72,876
0012	Instructional resources				
0012	and media services	-	-	-	-
0013	Curriculum and instructional				
0013	staff development	51,475	1,981	-	-
0021	Instructional leadership	-	120,267	-	-
0023	School leadership	1,642	-	-	-
0031	Guidance, counseling,				
0031	and evaluation services	279	1,041,220	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	17,093	-	-	-
0081	Facilities acquisition and construction	-	-	-	-
6030	<b>Total Expenditures</b>	<u>828,708</u>	<u>1,390,428</u>	<u>28,948</u>	<u>72,876</u>
	<b><u>Other Financing Sources (Uses)</u></b>				
8911	Transfers (out)	-	-	-	-
7080	<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	<b>Net Change in Fund Balances</b>	-	-	-	-
0100	Beginning fund balances	-	-	-	-
3000	<b>Ending Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240	244	255	263	272	276
National Sch. Breakfast/ Lunch Program	Career and Technical Basic Grant	ESEA Title II Part A Training and Recruiting	Title III Part A English Language Acquisition	Medicaid Administ. Claiming Program	Instructional Continuity Grant
\$ 939,988	\$ -	\$ -	\$ -	\$ -	\$ -
18,670	-	-	-	-	-
2,168,657	97,969	146,821	48,800	51,968	24,500
3,127,315	97,969	146,821	48,800	51,968	24,500
-	97,969	-	42,412	16,426	20,320
-	-	-	-	-	-
-	-	145,296	3,788	-	-
-	-	1,295	-	25,485	-
-	-	-	651	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,653,925	-	-	-	-	-
-	-	-	-	-	-
-	-	230	-	-	-
39,443	-	-	-	-	4,180
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,949	-	-
-	-	-	-	-	-
3,693,368	97,969	146,821	48,800	41,911	24,500
-	-	-	-	-	-
-	-	-	-	-	-
(566,053)	-	-	-	10,057	-
950,369	-	-	-	11,148	-
\$ 384,316	\$ -	\$ -	\$ -	\$ 21,205	\$ -

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-2 (Page 2 of 2)**  
**For the Year Ended June 30, 2020**

		289	397	410	429
Data		Federally	Advanced	State	State
Control		Funded	Placement	Instructional	Funded
Codes		Special Rev.	Incentives	Materials	Special
		Funds			Revenue Fund
<u>Revenues</u>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	814,254	97,124
5900	Federal program revenues	357,247	-	-	-
5020	Total Revenues	357,247	-	814,254	97,124
<u>Expenditures</u>					
0011	Instruction	-	-	809,959	-
0012	Instructional resources				
0012	and media services	-	-	-	-
0013	Curriculum and instructional				
0013	staff development	-	-	4,295	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling,				
0031	and evaluation services	349,749	-	-	1,588
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	7,498	-	-	-
0081	Facilities acquisition and construction	-	-	-	85,574
6030	Total Expenditures	357,247	-	814,254	87,162
<u>Other Financing Sources (Uses)</u>					
8911	Transfers (out)	-	-	-	(11,550)
7080	Total Other Financing (Uses)	-	-	-	(11,550)
1200	Net Change in Fund Balances	-	-	-	(1,588)
0100	Beginning fund balances	-	-	-	3,894,598
3000	Ending Fund Balances	\$ -	\$ -	\$ -	\$ 3,893,010

461	481	483	484	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Campus Activity	La Porte Education Foundation	Local Grants and Donations	SHAC-EKG Grant	
\$ 381,201	\$ 115,022	\$ 126,168	\$ 16	\$ 1,562,395
-	-	-	-	930,048
-	-	-	-	5,216,922
381,201	115,022	126,168	16	7,709,365
78,631	119,578	14,136	-	2,286,434
15,921	-	-	-	15,921
4,908	-	3,763	-	215,506
-	-	-	-	147,047
11,013	-	1,449	-	14,755
1,088	-	46,733	-	1,440,657
306	-	212	-	518
211	-	-	-	211
-	-	-	-	3,653,925
333,992	-	-	250	334,242
92	-	-	-	322
551	-	-	-	44,174
-	-	3,792	-	3,792
305	-	3,736	-	4,041
2,389	-	-	-	28,929
-	-	-	-	85,574
449,407	119,578	73,821	250	8,276,048
-	-	-	-	(11,550)
-	-	-	-	(11,550)
(68,206)	(4,556)	52,347	(234)	(578,233)
493,047	7,750	30,659	3,577	5,391,148
\$ 424,841	\$ 3,194	\$ 83,006	\$ 3,343	\$ 4,812,915



## ***NONMAJOR INTERNAL SERVICE FUNDS***

### **Internal Service Funds**

Internal service funds are used to account for services provided to other departments of the District on a cost-reimbursement basis.

#### Fund 711 Child Care

Transactions related to the operation of a District child care center opened due to COVID-19.

#### Fund 752 Print Shop

Transactions related to print shop services to other organizational units of the District and organizations outside the District.

#### Fund 753 Workers Compensation

Transactions related to self-insurance for workers' compensation.

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## COMBINING STATEMENT OF NET POSITION

### PROPRIETARY FUNDS - EXHIBIT H-3

June 30, 2020

		711	752	753	
Data Control Codes		Child Care	Print Shop	Workers' Compensation	Total Internal Service Funds
	<b><u>Assets</u></b>				
	Current assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 2,220,578	\$ 2,220,578
1260	Due from other funds	-	34	61,090	61,124
1300	Inventories, at cost	-	32,477	-	32,477
1410	Prepaid items	4,790	854	-	5,644
1000	<b>Total Assets</b>	<u>4,790</u>	<u>33,365</u>	<u>2,281,668</u>	<u>2,319,823</u>
	<b><u>Liabilities</u></b>				
2110	Accounts payable	-	1,169	-	1,169
2170	Due to other funds	4,790	16,897	-	21,687
2180	Due to other governments	-	3	-	3
2200	Accrued liabilities	-	-	389,990	389,990
2000	<b>Total Liabilities</b>	<u>4,790</u>	<u>18,069</u>	<u>389,990</u>	<u>412,849</u>
	<b><u>Net Position</u></b>				
3900	Unrestricted	-	15,296	1,891,678	1,906,974
3000	<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ 15,296</u>	<u>\$ 1,891,678</u>	<u>\$ 1,906,974</u>

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND**  
**NET POSITION - PROPRIETARY FUNDS - EXHIBIT H-4**  
**For the Year Ended June 30, 2020**

		711	752	753	
<b>Data</b>	<b>Control</b>	<b>Child</b>	<b>Print</b>	<b>Workers'</b>	<b>Total Internal</b>
<b>Codes</b>		<b>Care</b>	<b>Shop</b>	<b>Compensation</b>	<b>Service Funds</b>
	<b><u>Operating Revenues</u></b>				
5700	Charges for services	\$ 107,083	\$ 122,411	\$ 665,776	\$ 895,270
5020	<b>Total Operating Revenues</b>	<u>107,083</u>	<u>122,411</u>	<u>665,776</u>	<u>895,270</u>
	<b><u>Operating Expenses</u></b>				
6100	Payroll costs	301,009	21,888	-	322,897
6200	Professional and contracted services	-	45,834	109,827	155,661
6300	Supplies and materials	16,518	35,461	-	51,979
6400	Other operating expense	14,331	955	-	15,286
6030	<b>Total Operating Expenses</b>	<u>331,858</u>	<u>104,138</u>	<u>109,827</u>	<u>545,823</u>
	<b>Operating Income (Loss)</b>	<u>(224,775)</u>	<u>18,273</u>	<u>555,949</u>	<u>349,447</u>
	<b><u>Nonoperating Revenues</u></b>				
7020	Earnings on investments	-	-	3,411	3,411
8030	<b>Total Nonoperating Revenues</b>	<u>-</u>	<u>-</u>	<u>3,411</u>	<u>3,411</u>
	<b>Income (Loss) Before Transfers</b>	<u>(224,775)</u>	<u>18,273</u>	<u>559,360</u>	<u>352,858</u>
7915	Transfers in	<u>224,775</u>	<u>-</u>	<u>-</u>	<u>224,775</u>
1300	<b>Change in Net Position</b>	<u>-</u>	<u>18,273</u>	<u>559,360</u>	<u>577,633</u>
0100	Beginning net position	<u>-</u>	<u>(2,977)</u>	<u>1,332,318</u>	<u>1,329,341</u>
3300	<b>Ending Net Position</b>	<u>\$ -</u>	<u>\$ 15,296</u>	<u>\$ 1,891,678</u>	<u>\$ 1,906,974</u>

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## COMBINING STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS - EXHIBIT H-5

For the Year Ended June 30, 2020

	711	752	753	
	Child Care	Print Shop	Workers' Compensation	Total Internal Service Funds
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from user charges	\$ 107,083	\$ 122,411	\$ 665,776	\$ 895,270
Cash payments for insurance claims	-	-	(258,831)	(258,831)
Cash payments for other operating expenses	(331,858)	(122,411)	-	(454,269)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(224,775)</b>	<b>-</b>	<b>406,945</b>	<b>182,170</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Operating subsidies and transfers	224,775	-	-	224,775
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>224,775</b>	<b>-</b>	<b>-</b>	<b>224,775</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Proceeds from earnings on investments	-	-	3,411	3,411
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>3,411</b>	<b>3,411</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>	<b>410,356</b>	<b>410,356</b>
Cash and cash equivalents, beginning of year	-	-	1,810,222	1,810,222
<b>Ending Cash and Cash Equivalents</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,220,578</b>	<b>\$ 2,220,578</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (224,775)	\$ 18,273	\$ 555,949	\$ 349,447
<b>Effect of Increases and Decreases in Current Assets and Liabilities</b>				
(Increase) decrease in due from other funds	-	2,046	(5,261)	(3,215)
Decrease in inventory	-	8,876	-	8,876
(Increase) decrease in prepaid items	(4,790)	783	-	(4,007)
Increase in accounts payable	-	908	-	908
Increase (decrease) in due to other funds	4,790	(30,844)	-	(26,054)
(Decrease) in due to other governments	-	(42)	-	(42)
(Decrease) in accrued liabilities	-	-	(143,743)	(143,743)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (224,775)</b>	<b>\$ -</b>	<b>\$ 406,945</b>	<b>\$ 182,170</b>

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## ***FIDUCIARY FUNDS***

### **Agency Fund**

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

### **Fund 865 Student Activity**

Accounting for activity on behalf of various student groups and organizations.

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## AGENCY FUND

### STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - EXHIBIT H-6

For the Year Ended June 30, 2020

Data Control Codes		Beginning Balance July 1, 2019	Additions	Deductions	Ending Balance June 30, 2020
	<b><u>Assets</u></b>				
1110	Cash and cash equivalents	\$ 186,453	\$ 443,319	\$ 513,442	\$ 116,330
1267	Due from others	1,887	1,168	2,471	584
1000	<b>Total Assets</b>	<u>188,340</u>	<u>444,487</u>	<u>515,913</u>	<u>116,914</u>
	<b><u>Liabilities</u></b>				
2110	Accounts payable	2,367	485,416	483,474	4,309
2177	Due to others	6,658	11,594	17,025	1,227
2180	Due to other governments	2,085	-	2,085	-
2190	Due to student groups	177,230	555,687	621,539	111,378
2000	<b>Total Liabilities</b>	<u>\$ 188,340</u>	<u>\$ 1,052,697</u>	<u>\$ 1,124,123</u>	<u>\$ 116,914</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF DELINQUENT TAXES RECEIVABLE - EXHIBIT J-1

For the Year Ended June 30, 2020

	1	2	3
	Tax Rates		Net Assessed/ Appraised Value For School Tax Purposes
Last Ten Years	Maintenance	Debt Service	
2011 and prior	Various	Various	Various
2012	\$ 1.0400	\$ 0.3150	\$ 6,004,563,235
2013	\$ 1.0400	\$ 0.2900	\$ 6,208,701,705
2014	\$ 1.0400	\$ 0.2900	\$ 6,601,456,565
2015	\$ 1.0400	\$ 0.4100	\$ 7,047,165,791
2016	\$ 1.0400	\$ 0.4100	\$ 8,118,723,905
2017	\$ 1.0400	\$ 0.3800	\$ 9,431,612,882
2018	\$ 1.0400	\$ 0.3400	\$ 9,820,930,163
2019	\$ 1.1700	\$ 0.2100	\$ 10,199,854,026
2020	\$ 1.0400	\$ 0.2400	\$ 10,311,631,951

1000 Totals

9000 - Portion of row 1000 for taxes paid into tax increment zone under Chapter 311, Tax Code (Function 97)

<b>10</b>	<b>20</b>	<b>31</b>	<b>32</b>	<b>40</b>	<b>50</b>
<b>Beginning Balance 7/1/19</b>	<b>Current Year's Total Levy</b>	<b>Maintenance Total Collected</b>	<b>Debt Service Total Collected</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 6/30/20</b>
\$ 393,484	\$ -	\$ 4,184	\$ 938	\$ (155,129)	\$ 233,233
69,072	-	792	240	(1,617)	66,423
86,883	-	1,405	392	(1,612)	83,474
96,562	-	26,086	7,272	30,800	94,004
140,205	-	30,702	12,106	37,339	134,736
274,315	-	68,879	27,160	44,351	222,627
266,803	-	25,229	9,218	(50,906)	181,450
459,719	-	135,403	44,266	(253,112)	26,938
1,853,034	-	35,091	6,298	(1,210,787)	600,858
-	133,136,156	104,833,854	26,697,696	-	1,604,606
<u>\$ 3,640,077</u>	<u>\$ 133,136,156</u>	<u>\$ 105,161,625</u>	<u>\$ 26,805,586</u>	<u>\$ (1,560,673)</u>	<u>\$ 3,248,349</u>
		<u>\$ 3,810,140</u>	<u>\$ -</u>		

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**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM FUND - EXHIBIT J-2**  
**For the Year Ended June 30, 2020**

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 1,473,000	\$ 1,473,000	\$ 939,988	\$ (533,012)
5800	State program revenues	24,000	24,000	18,670	(5,330)
5900	Federal program revenues	2,655,895	2,655,895	2,168,657	(487,238)
5020	<b>Total Revenues</b>	<u>4,152,895</u>	<u>4,152,895</u>	<u>3,127,315</u>	<u>(1,025,580)</u>
	<b>Expenditures</b>				
0035	Food service	4,582,747	4,613,852	3,653,925	959,927
0051	Plant maintenance and operations	56,280	56,280	39,443	16,837
6030	<b>Total Expenditures</b>	<u>4,639,027</u>	<u>4,670,132</u>	<u>3,693,368</u>	<u>976,764</u>
1200	<b>Net Change in Fund Balance</b>	(486,132)	(517,237)	(566,053)	(48,816)
0100	Beginning fund balance	950,369	950,369	950,369	-
3000	<b>Ending Fund Balance</b>	<u>\$ 464,237</u>	<u>\$ 433,132</u>	<u>\$ 384,316</u>	<u>\$ (48,816)</u>

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# LA PORTE INDEPENDENT SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE

### DEBT SERVICE FUND - EXHIBIT J-3

For the Year Ended June 30, 2020

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	<b><u>Revenues</u></b>				
5700	Local, intermediate, and out-of-state	\$ 28,931,574	\$ 28,931,574	\$ 27,080,450	\$ (1,851,124)
5800	State program revenues	-	-	176,363	176,363
5020	<b>Total Revenues</b>	<u>28,931,574</u>	<u>28,931,574</u>	<u>27,256,813</u>	<u>(1,851,124)</u>
	<b><u>Expenditures</u></b>				
0071	Principal	15,385,000	15,385,000	15,385,000	-
0072	Interest	13,187,399	13,233,738	13,141,060	92,678
0073	Bond issuance costs and fees	20,000	249,440	236,690	12,750
6030	<b>Total Expenditures</b>	<u>28,592,399</u>	<u>28,868,178</u>	<u>28,762,750</u>	<u>105,428</u>
1100	<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>339,175</u>	<u>63,396</u>	<u>(1,505,937)</u>	<u>(1,745,696)</u>
	<b><u>Other Financing Sources</u></b>				
7916	Premium/discount on issuance of bonds	-	-	232,441	232,441
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>232,441</u>	<u>232,441</u>
1200	<b>Net Change in Fund Balance</b>	339,175	63,396	(1,273,496)	(1,513,255)
0100	Beginning fund balance	10,817,405	10,817,405	10,817,405	-
3000	<b>Ending Fund Balance</b>	<u>\$ 11,156,580</u>	<u>\$ 10,880,801</u>	<u>\$ 9,543,909</u>	<u>\$ (1,513,255)</u>

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## ***STATISTICAL SECTION***

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## ***STATISTICAL SECTION***

This part of the 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 overall financial health.

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Financial Trends	130

*These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.*

Revenue Capacity	140
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*These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.*

Debt Capacity	150
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*These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.*

Demographic and Economic Information	156
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*These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments.*

Operating Information	159
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*These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.*

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## NET POSITION BY COMPONENT - EXHIBIT L-1

Last Ten Years  
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 50,203,269	\$ 59,397,384	\$ 61,780,754	\$ 49,715,550
Restricted	8,856,190	4,044,889	5,177,592	7,899,261
Unrestricted	7,787,870	14,213,315	7,598,907	13,511,147
<b>Total Governmental Activities Net Position</b>	<b>\$ 66,847,329</b>	<b>\$ 77,655,588</b>	<b>\$ 74,557,253</b>	<b>\$ 71,125,958</b>
Primary government				
Net investment in capital assets	\$ 50,203,269	\$ 59,397,384	\$ 61,780,754	\$ 49,715,550
Restricted	8,856,190	4,044,889	5,177,592	7,899,261
Unrestricted	7,787,870	14,213,315	7,598,907	13,511,147
<b>Total Primary Government Net Position</b>	<b>\$ 66,847,329</b>	<b>\$ 77,655,588</b>	<b>\$ 74,557,253</b>	<b>\$ 71,125,958</b>

Source: La Porte Independent School District's Audit Reports

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 44,176,078	\$ 35,725,150	\$ 33,311,721	\$ 30,910,969	\$ 31,956,441	\$ 27,121,161
8,586,196	11,272,475	11,551,291	14,810,662	6,796,928	8,785,778
10,206,293	22,800,483	22,128,205	(8,714,372)	(5,027,574)	5,182,104
<u>\$ 62,968,567</u>	<u>\$ 69,798,108</u>	<u>\$ 66,991,217</u>	<u>\$ 37,007,259</u>	<u>\$ 33,725,795</u>	<u>\$ 41,089,043</u>
\$ 44,176,078	\$ 35,725,150	\$ 33,311,721	\$ 30,910,969	\$ 31,956,441	\$ 27,121,161
8,586,196	11,272,475	11,551,291	14,810,662	6,796,928	8,785,778
10,206,293	22,800,483	22,128,205	(8,714,372)	(5,027,574)	5,182,104
<u>\$ 62,968,567</u>	<u>\$ 69,798,108</u>	<u>\$ 66,991,217</u>	<u>\$ 37,007,259</u>	<u>\$ 33,725,795</u>	<u>\$ 41,089,043</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## CHANGES IN NET POSITION - EXHIBIT L-2 (Page 1 of 2)

Last Ten Years  
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities				
Instruction	\$ 43,789,099	\$ 41,910,445	\$ 41,356,893	\$ 42,995,224
Instructional resources and media services	825,891	727,755	501,443	482,710
Curriculum and staff development	671,220	585,541	641,689	734,170
Instructional leadership	1,026,317	994,257	1,142,625	1,170,527
School leadership	3,752,183	3,625,048	3,681,792	3,913,052
Guidance, counseling, and evaluation services	2,432,240	2,130,352	2,253,409	2,456,356
Social work services	181,588	162,220	165,195	195,190
Health services	815,913	745,019	691,172	736,101
Student transportation	3,151,946	2,855,000	3,078,612	3,109,273
Food service	3,765,475	3,750,711	3,821,034	3,879,868
Cocurriculum/extracurricular activities	2,248,364	1,889,910	1,863,511	2,130,598
General administration	3,441,371	3,127,086	2,946,863	3,103,491
Plant maintenance and operations	9,498,226	9,276,851	10,146,172	10,193,730
Security and monitoring services	609,179	548,739	519,364	542,011
Data processing services	1,757,198	2,614,906	2,584,811	2,518,335
Community services	85,274	60,520	52,049	68,500
Interest on long-term debt	9,807,789	8,787,513	8,788,707	8,474,442
Facilities repairs and maintenance	1,432,410	784,746	232,769	73,997
Contracted instructional services	15,406,248	17,321,383	16,808,844	17,754,454
Bond issuance costs & fees	-	-	-	-
Payments related to SSAs	89,793	87,265	99,000	120,968
Payments to juvenile justice alternative ed. programs	20,790	19,620	19,620	19,620
Payments to tax increment fund	1,110,264	934,600	877,868	1,253,630
Other intergovernmental charges	644,788	655,091	660,402	661,254
<b>Total Governmental Activities Expenses</b>	<b>106,563,566</b>	<b>103,594,578</b>	<b>102,933,844</b>	<b>106,587,501</b>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
Instruction	27,886	20,509	53,863	36,253
Student transportation	-	-	-	-
Food services	1,847,263	1,765,220	1,705,036	1,664,048
Extracurricular	111,767	155,870	134,466	106,928
General administration	-	-	-	-
Plant maintenance and operations	50,931	58,838	114,583	98,187
Operating grants and contributions	12,287,750	10,022,070	9,441,913	10,043,558
<b>Total Primary Government Program Revenues</b>	<b>14,325,597</b>	<b>12,022,507</b>	<b>11,449,861</b>	<b>11,948,974</b>
<b>Net (Expense)</b>				
Governmental activities	\$ (92,237,969)	\$ (91,572,071)	\$ (91,483,983)	\$ (94,638,527)
<b>Total Primary Government Net (Expense)</b>	<b>\$ (92,237,969)</b>	<b>\$ (91,572,071)</b>	<b>\$ (91,483,983)</b>	<b>\$ (94,638,527)</b>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 44,530,011	\$ 49,759,289	\$ 52,296,542	\$ 38,856,109	\$ 58,059,849	\$ 61,008,278
484,361	458,306	454,722	348,770	371,144	383,664
1,282,550	1,329,946	1,025,854	693,000	985,087	941,971
839,282	925,493	1,025,658	615,858	1,155,213	1,229,030
3,991,291	4,302,695	4,374,173	2,853,808	4,852,010	5,132,269
2,574,355	2,887,377	2,997,386	1,824,276	3,960,798	4,237,356
204,158	207,172	231,094	228,045	268,286	247,234
813,607	839,418	875,217	591,858	1,002,204	994,588
3,422,132	3,619,700	3,024,166	2,383,859	3,068,613	3,085,934
4,001,664	4,269,781	4,517,973	3,250,726	4,567,997	4,069,215
2,171,413	2,374,697	2,320,363	2,122,573	2,726,363	2,614,667
2,949,663	3,255,560	3,155,391	2,707,853	3,339,518	3,688,217
9,929,472	11,431,976	10,633,698	10,070,631	11,491,142	11,457,636
524,177	551,098	1,300,140	1,243,185	1,933,772	1,813,636
3,736,801	3,899,246	3,577,687	2,435,287	2,896,056	3,903,305
75,006	39,369	38,258	20,614	28,609	66,847
12,548,106	14,074,233	13,762,377	13,000,225	12,473,266	11,548,802
9,506	44,521	29,396	8,000	8,000	-
20,877,309	24,531,648	31,237,688	33,224,648	46,925,331	41,571,997
-	-	-	-	-	236,690
130,571	118,619	108,101	111,516	128,845	171,317
19,800	19,800	19,800	19,800	59,400	59,400
1,407,985	1,671,451	2,054,938	1,141,045	2,779,617	3,810,140
788,330	886,598	964,114	993,774	1,037,446	1,068,592
117,311,550	131,497,993	140,024,736	118,745,460	164,118,566	163,340,785
31,727	36,083	100,103	91,553	163,919	114,561
-	-	-	-	1,411	211
1,664,582	1,549,946	1,467,338	1,113,247	1,303,054	939,988
119,255	115,921	146,275	102,690	290,255	333,992
-	-	-	-	6,618	92
73,480	70,918	72,836	74,181	1,403	551
9,702,933	11,674,605	10,009,652	(4,549,099)	9,574,383	9,666,866
11,591,977	13,447,473	11,796,204	(3,167,428)	11,341,043	11,056,261
\$ (105,719,573)	\$ (118,050,520)	\$ (128,228,532)	\$ (121,912,888)	\$ (152,777,523)	\$ (152,284,524)
<u>\$ (105,719,573)</u>	<u>\$ (118,050,520)</u>	<u>\$ (128,228,532)</u>	<u>\$ (121,912,888)</u>	<u>\$ (152,777,523)</u>	<u>\$ (152,284,524)</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## CHANGES IN NET POSITION - EXHIBIT L-2 (Page 2 of 2)

Last Ten Years  
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
<b>General Revenues</b>				
Governmental activities				
Property taxes				
Levied for general purposes	\$ 60,018,204	\$ 62,322,911	\$ 63,383,117	\$ 67,863,048
Levied for debt service	16,423,702	18,615,934	18,932,619	20,270,780
Investment earnings	148,288	139,912	134,986	96,660
Unrestricted grants and contributions	8,084,729	20,407,945	4,772,137	3,182,174
Miscellaneous	2,366,955	1,068,263	1,162,789	1,576,588
Transfers	-	(61,182)	-	-
Special items	(530,318)	(113,453)	-	-
<b>Total Governmental Activities</b>	<u>\$ 86,511,560</u>	<u>\$ 102,380,330</u>	<u>\$ 88,385,648</u>	<u>\$ 92,989,250</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ (5,726,409)	\$ 10,808,259	\$ (3,098,335)	\$ (1,649,277)
Implementation of GASB 68/71/75	-	-	-	(1,782,018)
<b>Total Primary Government</b>	<u>\$ (5,726,409)</u>	<u>\$ 10,808,259</u>	<u>\$ (3,098,335)</u>	<u>\$ (3,431,295)</u>

Source: La Porte Independent School District's Audit Reports

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 79,067,056	\$ 85,819,764	\$ 94,533,779	\$ 96,468,292	\$ 105,918,780	\$ 105,161,625
23,617,432	33,374,353	35,688,808	32,937,911	21,204,806	26,805,586
90,049	488,351	897,470	1,238,456	1,829,958	1,374,315
3,286,104	3,046,813	5,962,210	5,701,540	11,823,223	18,959,584
2,351,123	2,257,067	2,853,468	1,066,686	5,987,237	6,670,886
(2,500)	-	-	-	-	-
-	(106,287)	(14,514,094)	-	2,732,055	675,776
<u>\$ 108,409,264</u>	<u>\$ 124,880,061</u>	<u>\$ 125,421,641</u>	<u>\$ 137,412,885</u>	<u>\$ 149,496,059</u>	<u>\$ 159,647,772</u>
\$ 2,689,691	\$ 6,829,541	\$ (2,806,891)	\$ 15,499,997	\$ (3,281,464)	\$ 7,363,248
(10,847,082)	-	-	(45,483,955)	-	-
<u>\$ (8,157,391)</u>	<u>\$ 6,829,541</u>	<u>\$ (2,806,891)</u>	<u>\$ (29,983,958)</u>	<u>\$ (3,281,464)</u>	<u>\$ 7,363,248</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## FUND BALANCES OF GOVERNMENTAL FUNDS - EXHIBIT L-3

Last Ten Years  
(modified accrual basis of accounting)

		Fiscal Year			
		2011	2012	2013	2014
General Fund					
Nonspendable	\$	85,551	\$ 83,910	\$ 1,612,141	\$ 1,320,438
Committed		1,980,372	1,931,661	2,016,430	2,059,320
Assigned		-	44,651	-	-
Unassigned		21,746,547	33,127,599	29,565,826	27,436,294
<b>Total General Fund</b>	<b>\$</b>	<b>23,812,470</b>	<b>\$ 35,187,821</b>	<b>\$ 33,194,397</b>	<b>\$ 30,816,052</b>
All Other Governmental Funds					
Nonspendable					
Inventories	\$	54,749	\$ 53,679	\$ 48,189	\$ 25,697
Prepaid items		49,293	56,751	56,924	57,768
Restricted					
Grant funds		1,218,644	1,438,989	1,666,962	1,888,968
Capital acquisitions		29,148,114	20,684,431	12,691,463	8,195,876
Retirement of long-term debt		10,956,433	5,284,442	6,407,019	8,774,566
Committed					
Compensated absences		-	-	-	-
Local special revenue		5,055,950	5,123,908	4,595,283	4,603,191
<b>Total All Other Governmental Funds</b>	<b>\$</b>	<b>46,483,183</b>	<b>\$ 32,642,200</b>	<b>\$ 25,465,840</b>	<b>\$ 23,546,066</b>

Source: La Porte Independent School District's Audit Reports

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,081,967	\$ 1,055,954	\$ 1,008,312	\$ 1,310,465	\$ 1,330,676	\$ 1,577,904
2,177,197	2,215,787	1,986,505	2,067,367	2,156,054	2,214,153
-	-	-	35,828	-	-
25,053,340	25,827,182	30,245,650	31,494,926	36,869,997	50,595,041
<u>\$ 28,312,504</u>	<u>\$ 29,098,923</u>	<u>\$ 33,240,467</u>	<u>\$ 34,908,586</u>	<u>\$ 40,356,727</u>	<u>\$ 54,387,098</u>
\$ 51,812	\$ 32,204	\$ 22,999	\$ 14,580	\$ 39,584	\$ 109,202
567,936	291,682	96,400	63,389	53,021	64,673
2,043,567	1,775,411	1,437,143	1,103,082	897,476	300,162
87,578,978	97,351,152	31,925,319	14,652,235	9,413,335	32,198,068
10,236,018	14,209,608	14,883,619	18,245,027	10,817,405	9,543,909
-	29,415	26,820	29,746	25,177	26,516
4,387,056	4,390,052	4,342,599	4,335,639	4,429,631	4,405,387
<u>\$ 104,865,367</u>	<u>\$ 118,079,524</u>	<u>\$ 52,734,899</u>	<u>\$ 38,443,698</u>	<u>\$ 25,675,629</u>	<u>\$ 46,647,917</u>

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS - EXHIBIT L-4

Last Ten Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
Local and intermediate sources	\$ 81,473,480	\$ 84,896,434	\$ 86,324,262	\$ 92,060,038
State program revenues	11,450,986	19,455,261	6,882,569	6,240,932
Federal program revenues	8,168,383	7,216,160	6,784,709	6,417,978
<b>Total Revenues</b>	<b>101,092,849</b>	<b>111,567,855</b>	<b>99,991,540</b>	<b>104,718,948</b>
<b>Expenditures</b>				
Instruction	41,364,695	38,257,864	36,703,186	37,956,249
Instructional resources and media services	840,162	727,947	499,708	481,502
Curriculum and staff development	680,217	586,159	641,380	730,821
Instructional leadership	1,049,824	997,049	1,134,434	1,164,769
School leadership	3,839,423	3,633,863	3,668,061	3,913,097
Guidance, counseling, and evaluation services	2,487,147	2,137,025	2,249,211	2,447,110
Social work services	184,084	162,440	164,796	194,897
Health services	835,669	747,347	691,033	736,770
Student transportation	2,981,265	3,804,994	2,835,617	2,921,010
Food service	3,824,108	3,862,600	3,870,741	4,312,726
Cocurriculum/extracurricular activities	1,920,415	1,531,135	1,490,065	1,476,177
General administration	3,138,540	2,733,142	2,922,056	2,993,062
Plant maintenance and operations	9,508,406	8,942,257	9,627,818	9,695,257
Security and monitoring services	615,768	550,351	519,360	542,059
Data processing services	1,428,274	2,817,503	2,249,310	2,119,760
Community services	80,101	55,661	46,876	62,092
Principal on long-term debt	7,290,000	7,725,000	8,210,000	8,255,000
Interest on long-term debt	9,565,232	9,787,163	8,653,933	8,748,930
Bond issuance costs and fees	291,512	405,182	4,850	4,850
Capital outlay	11,027,305	1,926,056	4,513,155	451,003
Other intergovernmental charges	17,271,883	19,017,959	18,465,734	19,809,926
<b>Total Expenditures</b>	<b>120,224,030</b>	<b>110,408,697</b>	<b>109,161,324</b>	<b>109,017,067</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(19,131,181)</b>	<b>1,159,158</b>	<b>(9,169,784)</b>	<b>(4,298,119)</b>
<b>Other Financing Sources (Uses)</b>				
Refunding bonds issued	-	-	-	-
Capital-related debt issued (regular bonds)	26,660,000	40,685,000	-	-
Sale of real or personal property	-	-	-	-
Extraordinary item - insurance recovery	-	3,040,289	-	-
Transfers in	1,525	-	-	-
Premium or discount on issuance of bonds	437,855	4,008,196	-	-
Transfer out	(1,525)	(61,182)	-	-
Other uses	-	(51,297,093)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>27,097,855</b>	<b>(3,624,790)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 7,966,674</b>	<b>\$ (2,465,632)</b>	<b>\$ (9,169,784)</b>	<b>\$ (4,298,119)</b>

Debt service as a percentage of noncapital expenditures*	15.70%	16.52%	16.12%	15.67%
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\* The ratio of debt service expenditures to noncapital expenditures is calculated using total expenditures from the schedule above less capital outlay from the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

Source: La Porte Independent School District's Audit Reports

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 106,967,548	\$ 123,940,130	\$ 136,414,687	\$ 134,069,758	\$ 137,172,176	\$ 142,328,632
6,380,373	6,539,522	7,832,361	8,321,677	9,723,516	17,679,008
6,598,936	6,275,753	6,533,129	7,294,080	8,695,464	7,427,546
119,946,857	136,755,405	150,780,177	149,685,515	155,591,156	167,435,186
39,983,002	42,725,036	42,649,201	44,431,254	44,116,535	46,010,402
483,055	449,017	455,095	452,218	355,043	363,370
1,279,256	1,276,907	1,018,560	926,444	923,521	862,801
811,019	892,790	1,015,259	1,048,954	1,028,291	1,070,943
4,041,551	4,109,820	4,331,402	4,443,357	4,505,331	4,686,767
2,592,682	2,770,528	2,892,230	3,200,710	3,550,004	3,709,103
206,208	207,178	231,422	248,452	264,097	241,850
818,826	821,738	863,729	898,597	927,539	898,792
4,518,528	3,254,781	2,880,812	2,793,250	3,010,915	3,650,241
3,880,325	4,170,770	4,265,215	4,058,859	4,218,728	3,653,925
1,488,549	1,569,493	1,566,840	1,882,915	1,926,045	1,783,221
2,874,950	3,077,179	3,076,752	3,310,708	3,123,268	3,485,305
9,903,980	11,271,596	10,085,701	10,926,378	10,995,172	10,597,227
524,607	550,551	1,296,131	1,427,474	2,384,135	1,725,488
3,519,556	4,203,028	3,175,788	2,365,772	2,410,775	3,442,002
69,503	32,944	38,184	20,632	28,591	46,655
17,570,000	17,365,000	20,355,000	15,530,000	15,465,000	15,385,000
10,378,396	13,248,523	14,796,017	14,554,292	13,862,199	13,141,060
1,617,541	1,529,646	8,750	8,000	8,000	236,690
23,065,236	103,801,648	62,596,529	14,289,548	1,609,311	1,592,675
23,223,995	27,228,116	34,384,641	35,490,783	50,930,639	46,681,446
152,850,765	244,556,289	211,983,258	162,308,597	165,643,139	163,264,963
(32,903,908)	(107,800,884)	(61,203,081)	(12,623,082)	(10,051,983)	4,170,223
73,850,000	115,930,000	-	-	-	-
99,675,000	21,620,711	-	-	-	26,550,000
-	-	-	-	2,732,055	824,770
-	-	-	-	-	-
2,623	-	6,300	8,517	2,450	11,550
18,587,626	8,101,456	-	-	-	3,682,441
(5,123)	-	(6,300)	(8,517)	(2,450)	(236,325)
(80,390,465)	(23,850,707)	-	-	-	-
111,719,661	121,801,460	-	-	2,732,055	30,832,436
\$ 78,815,753	\$ 14,000,576	\$ (61,203,081)	\$ (12,623,082)	\$ (7,319,928)	\$ 35,002,659
22.78%	22.84%	23.54%	20.33%	18.01%	17.75%

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## PROPERTY TAX RATES-DIRECT AND ALL OVERLAPPING

### GOVERNMENTS - EXHIBIT L-5

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
<b>School District</b>				
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.2850	0.3150	0.2900	0.2900
<b>District Total</b>	<b>\$ 1.3250</b>	<b>\$ 1.3550</b>	<b>\$ 1.3300</b>	<b>\$ 1.3300</b>
<b>County</b>				
Chambers*	\$ 0.4968	\$ 0.4968	\$ 0.4968	\$ 0.5221
Harris	\$ 0.3881	\$ 0.3912	\$ 0.4002	\$ 0.4146
Harris County Dept. of Education	\$ 0.0060	\$ 0.0066	\$ 0.0066	\$ 0.0064
Harris County Flood Control District	\$ 0.0292	\$ 0.0281	\$ 0.0281	\$ 0.0283
Port of Houston Authority	\$ 0.1640	\$ 0.0186	\$ 0.0195	\$ 0.0172
San Jacinto Jr. College District	\$ 0.1708	\$ 0.1856	\$ 0.1856	\$ 0.1856
<b>Cities</b>				
Deer Park	\$ 0.7050	\$ 0.7200	\$ 0.7200	\$ 0.7200
La Porte	\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100
Morgan's Point	\$ 0.6460	\$ 0.6460	\$ 0.6460	\$ 0.6362
Pasadena	\$ 0.5620	\$ 0.5916	\$ 0.5916	\$ 0.5916
<b>Water Districts</b>				
Clear Lake City Water Authority	0.2800	0.2800	0.2800	0.2800

\* 100% of the property located in Chambers County is submerged.

Rates are per \$100 of assessed valuation

Harris County Appraisal District - Chambers County Appraisal District

The District has no facilities and does not serve any students in Chambers County.

Source: Harris County Truth in Taxation Summary

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.1700	\$ 1.0400
0.4100	0.4100	0.3800	0.3400	0.2100	0.2400
<u>\$ 1.4500</u>	<u>\$ 1.4500</u>	<u>\$ 1.4200</u>	<u>\$ 1.3800</u>	<u>\$ 1.3800</u>	<u>\$ 1.2800</u>
\$ 0.5327	\$ 0.5403	\$ 0.5527	\$ 0.5425	\$ 0.5425	\$ 0.5421
\$ 0.4173	\$ 0.4192	\$ 0.4166	\$ 0.4180	\$ 0.4186	\$ 0.4071
\$ 0.0060	\$ 0.0054	\$ 0.0052	\$ 0.0052	\$ 0.0052	\$ 0.0050
\$ 0.0274	\$ 0.0273	\$ 0.0283	\$ 0.0283	\$ 0.0288	\$ 0.0279
\$ 0.0513	\$ 0.0134	\$ 0.0133	\$ 0.0126	\$ 0.0116	\$ 0.0107
\$ 0.1856	\$ 0.1758	\$ 0.1824	\$ 0.1833	\$ 0.1793	\$ 0.1782
\$ 0.7200	\$ 0.7144	\$ 0.7200	\$ 0.7200	\$ 0.7200	\$ 0.7200
\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100
\$ 0.8191	\$ 0.8191	\$ 0.9118	\$ 0.8911	\$ 0.8883	\$ 0.8810
\$ 0.5769	\$ 0.5754	\$ 0.5754	\$ 0.5754	\$ 0.6154	\$ 0.5703
0.2800	0.2700	0.2700	0.2700	0.2700	0.2700



**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - EXHIBIT L-6**  
**Last Ten Years**

<b>Year Ended June 30,</b>	<b>Real Property Assessed Actual Value</b>	<b>Personal Property Assessed Actual Value</b>	<b>Total Assessed Actual Value**</b>	<b>Total Direct Rate*</b>
2011	\$ 4,579,085,602	\$ 1,210,543,418	\$ 5,789,629,020	\$ 1.3250
2012	\$ 4,836,345,185	\$ 1,168,218,050	\$ 6,004,563,235	\$ 1.3550
2013	\$ 5,178,358,804	\$ 1,030,342,901	\$ 6,208,701,705	\$ 1.3300
2014	\$ 5,994,901,356	\$ 606,555,209	\$ 6,601,456,565	\$ 1.3300
2015	\$ 5,234,296,126	\$ 1,812,869,665	\$ 7,047,165,791	\$ 1.4500
2016	\$ 6,099,088,029	\$ 2,019,635,876	\$ 8,118,723,905	\$ 1.4500
2017	\$ 6,409,074,023	\$ 3,022,538,859	\$ 9,431,612,882	\$ 1.4200
2018	\$ 7,933,845,192	\$ 1,887,084,971	\$ 9,820,930,163	\$ 1.3800
2019	\$ 7,152,159,589	\$ 3,047,694,437	\$ 10,199,854,026	\$ 1.3800
2020	\$ 7,819,428,707	\$ 3,536,064,873	\$ 11,355,493,580	\$ 1.2800

\*Per \$100 of assessed value

\*\*Total Estimated Taxable Value is Net of Exemptions

Source: Goose Creek CISD Tax Services Tax Roll Summary Report



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## PRINCIPAL PROPERTY TAX PAYERS - EXHIBIT L-7

Current Year and Nine Years Ago

Property Tax Payer	2020			2011		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
Equistar Chemical LP	\$ 693,419,126	1	20.03%	\$ 213,560,432	1	15.62%
Fairway Methanol LLC	578,146,303	2	16.70%	-	-	0.00%
Kuraray America Inc.	425,345,165	3	12.29%	-	-	0.00%
Enterprise Products	411,376,045	4	11.88%	-	-	0.00%
Air Liquide America Corporation	397,279,863	5	11.48%	185,975,943	2	13.60%
Braskem America Inc.	254,274,790	6	7.35%	-	-	0.00%
Liberty Property	198,035,970	7	5.72%	-	-	0.00%
Albermarle Catalysts Co. LP	181,486,112	8	5.24%	136,462,850	4	9.98%
HRUS Underwood LLC	162,679,619	9	4.70%	-	-	0.00%
Noltex LLC	159,451,814	10	4.61%	-	-	0.00%
Kaneka Texas Corp.	-	-	-	146,444,831	3	10.71%
Turbine Maintenance Group	-	-	-	127,508,880	5	9.32%
Lyondell Chemical Co	-	-	-	119,702,676	6	8.75%
Evalca	-	-	-	116,229,903	7	8.50%
Basell USA Inc.	-	-	-	112,886,680	8	8.25%
Celanese LTD	-	-	-	105,440,821	9	7.71%
Conoco Phillips Co	-	-	-	103,331,957	10	7.56%
<b>Total</b>	<b>\$ 3,461,494,807</b>		<b>100.00%</b>	<b>\$ 1,367,544,973</b>		<b>100.00%</b>
Total taxable assessed value*	<u>\$ 11,355,493,580</u>			<u>\$ 5,789,629,020</u>		

\*Taxable assessed value is net exemptions

Note: Due to time constraints and updated tax rolls being unavailable until late fall, instead of reporting tax year 2019 data on this schedule, the District will be reporting data for the tax year related to the fiscal year under audit.

Source: Municipal Advisory Council of Texas



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## PROPERTY TAX LEVIES AND COLLECTIONS - EXHIBIT L-8

Last Ten Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 76,832,164	\$ 75,804,968	98.66%	\$ 924,504	\$ 76,729,472	99.87%
2012	\$ 81,347,826	\$ 80,319,639	98.74%	\$ 956,358	\$ 81,275,997	99.91%
2013	\$ 82,998,592	\$ 81,772,811	98.52%	\$ 1,141,092	\$ 82,913,903	99.90%
2014	\$ 87,683,942	\$ 86,946,201	99.16%	\$ 719,032	\$ 87,665,233	99.98%
2015	\$ 102,609,803	\$ 101,666,537	99.08%	\$ 894,554	\$ 102,561,091	99.95%
2016	\$ 117,701,618	\$ 116,785,513	99.22%	\$ 801,044	\$ 117,586,557	99.90%
2017	\$ 119,265,281	\$ 118,673,840	99.50%	\$ 381,690	\$ 119,055,530	99.82%
2018	\$ 123,396,019	\$ 121,706,460	98.63%	\$ 294,498	\$ 122,000,958	98.87%
2019	\$ 128,005,460	\$ 126,153,254	98.55%	\$ 41,389	\$ 126,194,643	98.59%
2020	\$ 133,136,156	\$ 131,531,550	98.79%	\$ -	\$ 131,531,550	98.79%

Source: Goose Creek CISD Tax Office and City of La Porte Tax Office

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX COLLECTIONS - EXHIBIT L-9**  
**Last Ten Years**

Fiscal Year	Fiscal Year of Collection			
	2020	2019	2018	2017
2011	\$ 689	\$ 4,777	\$ 760	\$ 6,813
2012	\$ 1,032	\$ 4,761	\$ 5,151	\$ 37,421
2013	\$ 1,797	\$ 3,878	\$ 8,538	\$ (158,135)
2014	\$ 33,358	\$ 8,258	\$ 13,777	\$ (108,665)
2015	\$ 42,808	\$ 141,404	\$ 35,687	\$ 147,276
2016	\$ 96,037	\$ 233,215	\$ 85,230	\$ 392,509
2017	\$ 34,447	\$ 227,266	\$ 125,270	\$ 118,673,840
2018	\$ 179,670	\$ 114,828	\$ 121,706,460	
2019	\$ 41,389	\$ 126,153,254		
2020	\$ 131,531,550			

Fiscal Year of Collection					
2016	2015	2014	2013	2012	2011
\$ (42,020)	\$ 41,477	\$ 64,415	\$ 201,740	\$ 645,870	\$ 75,804,968
\$ (92,518)	\$ 43,091	\$ 191,447	\$ 766,856	\$ 80,319,639	
\$ 328,527	\$ 171,646	\$ 780,461	\$ 81,772,811		
\$ 436,336	\$ 202,822	\$ 86,946,201			
\$ 435,568	\$ 101,666,537				
\$ 116,785,513					

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING - EXHIBIT L-10 Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
<b>Assessed Value</b>				
All property	\$ 5,789,629,020	\$ 6,004,563,235	\$ 6,208,701,705	\$ 6,601,456,565
<b>Net Bonded Debt</b>				
Gross bonded debt	\$ 224,932,491	\$ 215,893,135	\$ 207,007,460	\$ 198,049,993
Less debt service funds	10,956,433	5,284,442	6,407,019	8,774,586
<b>Total Net Bonded Debt</b>	<b>\$ 213,976,058</b>	<b>\$ 210,608,693</b>	<b>\$ 200,600,441</b>	<b>\$ 189,275,407</b>
<b>Ratio of Net Bonded Debt     To Assessed Value</b>	3.70%	3.51%	3.23%	2.87%
<b>Average Daily Attendance (ADA)</b>	7,236	7,262	7,218	7,129
<b>Ratio of Net Bonded Debt     Per ADA</b>	\$ 29,571	\$ 29,001	\$ 27,792	\$ 26,550
<b>Population</b>	37,275	37,845	34,654	35,039
<b>Net Bonded Debt     Per Capita</b>	\$ 5,740	\$ 5,565	\$ 5,789	\$ 5,402

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 7,047,165,791	\$ 8,118,723,905	\$ 9,341,612,882	\$ 9,820,930,163	\$ 10,199,854,026	\$ 11,355,493,580
\$ 296,199,845	\$ 399,494,016	\$ 376,589,109	\$ 358,587,198	\$ 341,038,095	\$ 353,695,936
10,236,018	14,209,608	14,883,619	18,245,027	5,899,452	4,886,058
\$ 285,963,827	\$ 385,284,408	\$ 361,705,490	\$ 340,342,171	\$ 335,138,643	\$ 348,787,073
4.06%	4.75%	3.87%	3.47%	3.29%	3.07%
7,127	7,128	7,183	7,210	6,798	6,493
\$ 40,124	\$ 54,052	\$ 50,356	\$ 47,204	\$ 49,300	\$ 53,717
35,148	35,086	35,371	35,423	34,976	34,976
\$ 8,136	\$ 10,981	\$ 10,226	\$ 9,608	\$ 9,582	\$ 9,972



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## LEGAL DEBT MARGIN INFORMATION - EXHIBIT L-11

Last Ten Years

### Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 11,355,493,580
Debt limit (percentage of 2019 - 2020 school year assessed value)*	10.00%
Maximum legal debt	1,135,549,358
Amount of debt applicable to debt limit**	331,150,000
<b>Legal Debt Margin</b>	<b>\$ 804,399,358</b>

\* This debt limit is established by law as stated in Vernon's Statutes, Article 835p.

\*\* Does not include capital lease obligations and is net of reserve for retirement of bonded debt

Fiscal Year	Debt Limit	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2011	\$ 578,962,902	\$ 210,078,567	\$ 368,884,335	36.29%
2012	\$ 600,456,324	\$ 203,560,558	\$ 396,895,766	33.90%
2013	\$ 620,870,171	\$ 194,227,981	\$ 426,642,190	31.28%
2014	\$ 660,145,657	\$ 183,605,414	\$ 476,540,243	27.81%
2015	\$ 704,716,579	\$ 263,598,982	\$ 441,117,597	37.40%
2016	\$ 811,872,391	\$ 357,125,392	\$ 454,746,999	43.99%
2017	\$ 934,161,288	\$ 336,096,381	\$ 598,064,907	35.98%
2018	\$ 982,093,016	\$ 317,204,973	\$ 664,888,043	32.30%
2019	\$ 1,019,985,403	\$ 319,985,000	\$ 700,000,403	31.37%
2020	\$ 1,135,549,358	\$ 331,150,000	\$ 804,399,358	29.16%



**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - EXHIBIT L-12***  
As of June 30, 2020

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable*</b>	<b>Share of Overlapping Debt</b>
Chambers County	\$ 51,335,000	-	\$ -
Harris County	\$ 1,885,182,125	2.36%	44,490,298
Harris County Department of Education	\$ 6,320,000	2.36%	149,152
Harris County Flood Control District	\$ 83,075,000	2.36%	1,960,570
Harris County Hospital District	\$ 86,050,000	2.36%	2,030,780
Port of Houston Authority	\$ 572,569,397	2.36%	13,512,638
San Jacinto Jr. College District	\$ 480,440,414	19.11%	91,812,163
City of Deer Park	\$ 70,005,000	30.25%	21,176,513
City of La Porte	\$ 31,835,000	94.10%	29,956,735
City of Morgan's Point	\$ 4,950,000	100.00%	4,950,000
City of Pasadena	\$ 153,735,000	5.76%	8,855,136
City of Shoreacres	\$ 4,350,000	100.00%	4,350,000
Clear Lake City Water Authority	\$ 117,675,000	11.31%	13,309,043
Subtotal, overlapping debt			\$ 236,553,027
<b>District direct debt</b>	\$ 353,695,936	100.00%	353,695,936
<b>Total direct and overlapping debt</b>			<u><u>\$ 590,248,963</u></u>
<b>Population (District)</b>			34,976
<b>Per Capita Debt-Direct and Overlapping</b>			<u><u>\$ 16,876</u></u>

Source: Municipal Advisory Council of Texas

\* The "Percentage Applicable" is determined by dividing the City's certified taxable value within the taxing jurisdiction by the certified taxable value of the taxing jurisdiction.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account.

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## DEMOGRAPHIC STATISTICS - EXHIBIT L-13

Last Ten Years

### Population Information

Year	Estimated Population	Land Area	Density Per Square Mile	Population Change
2011	37,275	55	678	1.3%
2012	37,845	55	688	1.5%
2013	34,654	55	630	-9.2%
2014	35,039	55	637	1.1%
2015	35,148	55	639	0.3%
2016	35,086	55	638	-0.2%
2017	35,371	55	643	0.8%
2018	35,423	55	644	0.1%
2019	34,976	55	636	-1.3%
2020*	34,976	55	636	0.0%

\* Estimated population is only available through 2019, therefore, the same data was used for 2020

Source: United States Census Bureau

	Harris County 2010	Texas 2010	U.S. 2010
<b>Population</b>			
Median age	32.2	32.3	35.3
% School age	28%	27.3%	24%
% Working age	55.7%	54.7%	56.5%
% 65 and over	8.1%	10.3%	13%
Persons per household	2.85	2.78	2.59
<b>Income</b>			
Median family income	\$ 51,444	\$ 49,646	\$ 51,914
% Below poverty level	16.8%	16.8%	13.8%
Per capita income	\$ 26,788	\$ 24,870	\$ 27,334
<b>Housing</b>			
% Owner occupied	64.8%	64.8%	66.6%
% Built before 1939	-	5.6%	16.3%
% Built since last census	-	19.5%	16.5%
Owner occupied median value	\$ 128,642	\$ 105,779	\$ 170,000
Median gross rent	\$ 737	\$ 661	\$ 808
Occupied housing units	1,598,698	9,977,436	131,704,730

Source: United States Census Bureau

<b>Harris County</b>					
<b>Personal Income*</b> <i>(in Thousands)</i>	<b>Population*</b> <i>(Persons)</i>	<b>Per Capita Personal*</b> <b>Income</b>	<b>Total Unemployment</b>	<b>Percentage Unemployed County</b>	<b>Percentage Unemployed State</b>
\$ 209,326,788	4,180,816	\$ 50,154	165,513	7.8%	7.8%
\$ 224,617,980	4,262,689	\$ 52,805	143,053	6.6%	6.7%
\$ 230,462,963	4,353,517	\$ 53,141	132,300	6.0%	6.2%
\$ 252,694,912	4,452,695	\$ 56,896	110,802	4.9%	5.1%
\$ 252,694,912	4,551,362	\$ 56,896	103,637	4.6%	4.4%
\$ 249,989,494	4,617,041	\$ 55,088	119,025	5.3%	4.6%
\$ 249,989,500	4,652,980	\$ 55,088	108,287	5.1%	4.3%
\$ 249,989,500	4,652,980	\$ 55,088	108,287	4.4%	4.2%
\$ 265,351,328	4,698,619	\$ 56,474	100,021	3.8%	3.9%
\$ 265,351,328	4,698,619	\$ 56,474	100,021	3.8%	3.9%

\* Information is only available through 2019 therefore same data was used for 2020  
Source: Texas Workforce Commission (Texas LMI) & Bureau of Economic Analysis



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## PRINCIPAL EMPLOYERS - EXHIBIT L-14

Current Year and Nine Years Ago

2020			2011		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Equistar Chemicals	1,635	8.66%	La Porte ISD	1,071	3.96%
La Porte ISD	1,061	5.62%	Rockwood Service Corp.	700	2.59%
Dupont Chemical	545	2.89%	Longview Inspection Corp.	664	2.45%
J V Piping	440	2.33%	Quest Tru TEC	636	2.35%
Total Petrochemicals USA	409	2.17%	Oxy vinyls, LP	530	1.96%
City of La Porte	389	2.06%	City of La Porte	381	1.41%
Ineos	385	2.04%	Ineos	350	1.29%
Total Safety US Inc	350	1.85%	Equistar Chemicals, LP	334	1.23%
Kateon Natie Houston	350	1.85%	Sulzer Hickham	330	1.22%
CCC Group Inc.	300	1.59%	Air Liquide	170	0.63%
<b>Total</b>	<b>5,864</b>		<b>Total</b>	<b>5,166</b>	
<b>Total City of La Porte Employment</b>	<b>18,879</b>			<b>27,075</b>	

Source: City of La Porte Comprehensive Annual Financial Report for the Year Ended September 30, 2019,  
Texas Workforce Commission ( Texas LMI)

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
***FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION - EXHIBIT L-15***  
**Last Ten Years**

	Fiscal Year			
	2011	2012	2013	2014
<b><u>Governmental Activities:</u></b>				
Teachers	495.40	467.00	461.80	464.00
Professional support	107.10	87.40	89.10	90.00
Campus administration (school leadership)	28.80	29.10	30.00	30.00
Central administration	13.00	11.00	11.00	10.00
Educational aides	110.30	107.90	103.00	105.57
Auxiliary staff	318.90	301.00	292.80	291.54
<b>Total District Positions</b>	<b>1,073.50</b>	<b>1,003.40</b>	<b>987.70</b>	<b>991.11</b>

Source: Texas Education Agency Website - PEIMS

Fiscal Year					
2015	2016	2017	2018	2019	2020
470.07	495.46	495.00	500.63	488.81	478.56
94.43	101.45	101.42	92.54	96.50	95.60
30.00	29.02	30.00	31.79	31.00	31.65
10.00	8.00	10.89	11.62	12.00	10.00
110.23	117.28	120.56	130.56	138.50	131.50
293.70	289.03	283.99	293.95	292.13	298.47
1,008.43	1,040.24	1,041.86	1,061.09	1,058.94	1,045.78

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## OPERATING STATISTICS - EXHIBIT L-16

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
<b>Average Daily Attendance</b>	7,236	7,262	7,218	7,129
<b>Operating Expenditures*</b>	\$ 88,981,366	\$ 83,621,658	\$ 83,950,073	\$ 91,557,284
Cost per pupil	\$ 12,297	\$ 11,515	\$ 11,631	\$ 12,843
Percentage change	-0.92%	-6.36%	1.00%	10.42%
<b>Government-wide Expenses**</b>	\$ 109,922,967	\$ 106,563,566	\$ 103,594,578	\$ 102,933,844
Cost per pupil	\$ 15,191	\$ 14,674	\$ 14,352	\$ 14,439
Percentage change	1.76%	-3.40%	-2.19%	0.60%
<b>Teaching Staff</b>	506	495	482	461
Pupils to teacher	16	16	16	16

\* Operating expenditures are total expenditures less debt service and facilities acquisition and construction from Changes in Fund Balance Schedule

\*\* Government-wide expenses are total expenses from Change in Net Position Schedule

Source: Nonfinancial information from District records

Fiscal Year					
2015	2016	2017	2018	2019	2020
7,127	7,128	7,183	7,210	6,798	6,493
\$ 100,219,592	\$ 108,611,472	\$ 114,226,962	\$ 117,926,757	\$ 117,926,757	\$ 132,909,538
\$ 14,062	\$ 15,237	\$ 15,902	\$ 16,356	\$ 17,347	\$ 20,470
9.49%	8.36%	4.36%	2.85%	6.06%	18.00%
\$ 106,587,501	\$ 117,311,550	\$ 131,497,993	\$ 118,745,460	\$ 118,745,460	\$ 163,340,785
\$ 14,955	\$ 16,458	\$ 18,307	\$ 16,470	\$ 17,468	\$ 25,156
3.58%	10.05%	11.23%	-10.04%	6.06%	44.02%
464	470	495	501	501	479
16	16	16	15	14	14



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## TEACHER BASE SALARIES - EXHIBIT L-17

Last Ten Years

Fiscal Year	Minimum Salary*	Maximum Salary*	Region Average Salary	Statewide Average Salary
2011	\$ 44,900	\$ 70,606	\$ 50,616	\$ 48,638
2012	\$ 44,900	\$ 71,607	\$ 50,383	\$ 48,375
2013	\$ 46,250	\$ 70,432	\$ 50,968	\$ 48,821
2014	\$ 48,950	\$ 72,795	\$ 52,222	\$ 49,692
2015	\$ 50,400	\$ 74,350	\$ 54,157	\$ 50,715
2016	\$ 51,600	\$ 76,120	\$ 55,580	\$ 51,892
2017	\$ 52,600	\$ 78,842	\$ 55,992	\$ 52,525
2018	\$ 53,100	\$ 79,590	\$ 57,076	\$ 53,334
2019	\$ 54,000	\$ 81,793	\$ 54,524	\$ 54,122
2020	\$ 55,200	\$ 84,508	\$ 60,292	\$ 58,820

\* Amounts do not include additonal salary steps based on experience or academic credentials, nor fringe benefits such as pension, health insurance, disability, etc.

Sources: District Records

Texas Education Agency Website - PEIMS Standard Reports



# LA PORTE INDEPENDENT SCHOOL DISTRICT

## ATTENDANCE DATA - EXHIBIT L-18

Last Ten Years

Fiscal Year	Total Enrollment	Average Daily Attendance		
		Amount	Percentage Increase (Decrease)	Percentage of Attendance
2011	7,816	7,236	-0.47%	92.57%
2012	7,768	7,262	0.36%	93.48%
2013	7,747	7,218	-0.60%	93.17%
2014	7,628	7,129	-1.23%	93.46%
2015	7,648	7,127	-0.02%	93.19%
2016	7,753	7,128	0.01%	91.94%
2017	7,713	7,183	0.77%	93.13%
2018	7,588	7,210	0.38%	95.02%
2019	7,384	6,798	-5.71%	92.06%
2020	7,361	6,493	-4.49%	88.21%

Source: Texas Education Agency Website - PEIMS (Snapshot) and Near Final Summary of Finance

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION - EXHIBIT L-19 (Page 1 of 2)

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
<b>Elementary</b>				
Bayshore Elementary				
Square feet	111,000	111,000	111,000	111,000
Capacity	750	750	750	750
Enrollment	532	561	577	530
College Park Elementary				
Square feet	75,301	75,301	75,301	75,301
Capacity	650	650	650	650
Enrollment	474	487	465	461
Heritage Elementary				
Square feet	100,000	100,000	100,000	100,000
Capacity	750	750	750	750
Enrollment	647	642	610	599
Jennie Reid Elementary				
Square feet	72,450	72,450	72,450	72,450
Capacity	600	600	600	600
Enrollment	515	494	487	486
La Porte Elementary				
Square feet	94,064	94,064	94,064	94,064
Capacity	700	700	700	700
Enrollment	523	525	502	491
Lomax Elementary				
Square feet	86,495	86,495	86,495	86,495
Capacity	700	700	700	700
Enrollment	536	548	523	519
Rizzuto Elementary				
Square feet	85,563	85,563	85,563	85,563
Capacity	750	750	750	750
Enrollment	587	584	582	588
<b>Intermediate</b>				
Baker 6th Grade Campus				
Square feet	140,060	140,060	140,060	140,060
Capacity	700	700	700	700
Enrollment	608	551	625	533

Fiscal Year					
2015	2016	2017	2018	2019	2020
111,000	111,000	111,000	111,000	111,000	111,000
750	750	750	750	750	750
522	537	557	579	579	579
75,301	77,910	77,910	77,910	77,910	77,910
650	696	696	696	696	696
472	490	470	453	453	453
100,000	100,000	100,000	100,000	100,000	100,000
750	750	750	750	750	750
595	560	550	519	519	519
72,450	72,450	72,450	72,450	72,450	72,450
600	600	600	600	600	600
492	462	471	456	456	456
94,064	94,064	94,064	94,064	94,064	94,064
700	700	700	700	700	700
494	549	554	546	546	546
86,795	101,987	101,987	101,987	101,987	101,987
700	729	729	729	729	729
528	542	511	487	487	487
85,563	85,563	85,563	85,563	85,563	85,563
750	750	750	750	750	750
595	591	585	592	592	592
140,060	125,937	125,937	125,937	125,937	125,937
700	925	925	925	925	925
550	575	580	547	547	547

# LA PORTE INDEPENDENT SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION - EXHIBIT L-19 (Page 2 of 2)

Last Ten Years

	Fiscal Year			
	2011	2012	2013	2014
<b>Junior High Schools</b>				
La Porte Junior High School				
Square feet	148,044	148,044	148,044	148,044
Capacity	725	725	725	725
Enrollment	553	566	536	555
Lomax Junior High School				
Square feet	125,645	125,645	125,645	125,645
Capacity	780	780	780	780
Enrollment	581	628	611	608
<b>High School</b>				
La Porte High School				
Square feet	502,332	502,332	504,652	504,652
Capacity	2,923	2,923	2,923	2,923
Enrollment	2,188	2,121	2,168	2,190
<b>Alternative School</b>				
DeWalt Alternative School				
Square feet	37,796	37,796	37,796	37,796
Capacity	250	250	250	250
Enrollment	72	61	61	68
<b>Total Square Footage</b>	1,578,750	1,578,750	1,581,070	1,581,070
<b>Total Capacity</b>	10,278	10,278	10,278	10,278
<b>Total Enrollment</b>	7,816	7,768	7,747	7,628

Source: District records

Fiscal Year					
2015	2016	2017	2018	2019	2020
148,044	153,200	153,200	153,200	153,200	153,200
725	725	725	725	725	725
554	549	595	568	568	568
125,645	125,645	125,645	125,645	125,645	125,645
780	780	780	780	780	780
605	612	597	609	609	609
504,652	591,126	633,140	633,140	633,140	633,140
2,923	2,923	3,100	3,100	3,100	3,100
2,162	2,218	2,176	2,083	2,083	2,083
37,796	37,796	37,796	37,796	37,796	37,796
250	250	250	250	250	250
60	54	57	60	60	60
1,581,370	1,676,678	1,718,692	1,718,692	1,718,692	1,718,692
10,278	10,578	10,755	10,755	10,755	10,755
7,629	7,739	7,703	7,499	7,499	7,499



## ***COMPLIANCE SECTION***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

November 10, 2020

To the Board of Trustees of  
La Porte Independent School District:

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Porte Independent School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 10, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Belt Harris Pechacek, LLP features the company name in a stylized, serif font. The letters 'B', 'H', and 'P' are significantly larger and more ornate than the other letters, which are in a smaller, simpler serif font. The name is written in a dark red or maroon color.

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

November 10, 2020

To the Board of Trustees of  
La Porte Independent School District:

**Report on Compliance for Each Major Federal Program**

We have audited La Porte Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The logo for Belt Harris Pechacek, LLP features the company name in a stylized, cursive font. The letters 'B', 'H', and 'P' are significantly larger and more ornate than the other letters, which are in a smaller, simpler font. The full name 'BELT HARRIS PECHACEK, LLP' is written in all caps.

Belt Harris Pechacek, LLP  
Certified Public Accountants  
Houston, Texas

**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
***SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS***  
**For the Year Ended June 30, 2020**

**A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

No prior year findings.



**LA PORTE**  
**INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of District.
2. Significant deficiencies in internal control were not disclosed by the audit of the basic financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Significant deficiencies in internal control over major federal award programs were not disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs for the District are reported in Part C of this schedule.
7. The programs included as major programs are:

**CFDA Number(s)**

84.010

16.839

**Name of Federal Program or Cluster**

Title I Part A – Improving Basic Programs

STOP School Violence

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The District did qualify as a low-risk auditee.

**B. FINDINGS –BASIC FINANCIAL STATEMENT AUDIT**

*None Noted*

**C. FINDINGS – FEDERAL AWARDS AUDIT**

*None Noted*



**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1**  
For the Year Ended June 30, 2020

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education			
ESEA Title I, Part A	84.010	19610101101916	\$ 33,086
ESEA Title I, Part A	84.010	20610101101916	795,622
IDEA B, Formula Grant*	84.027	196600011019166600	3,883
IDEA B, Formula Grant*	84.027	206600011019166600	1,386,545
IDEA B, Capacity Grant*	84.027	66001906	72,876
IDEA B, Preschool*	84.173	206610011019166610	28,948
Title III, Part A	84.365	19671001101916	247
Title III, Part A	84.365	20671001101916	48,553
Carl D. Perkins Basic Formula	84.048A	19420006101916	26,728
Carl D. Perkins Basic Formula	84.048A	20420006101916	71,242
Title II, Part A, Supporting Effective Instruction	84.367	19694501101916	1,027
Title II, Part A, Supporting Effective Instruction	84.367	20694501101916	145,794
Texas Hurricane Homeless Youth	84.938	19513701101916	7,498
Title IV, Part A, Subpart 1	84.424	19680101101916	2,074
Title IV, Part A, Subpart 1	84.424	20680101101916	57,764
Instructional Continuity Grant	84.377	17610740101916	24,500
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>2,706,387</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
STOP School Violence	16.839	2018-YS-BX-0117	289,910
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>289,910</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Education			
School Breakfast Programs*	10.553	806780706	547,738
National School Lunch*	10.555	806780706	1,417,019
USDA Commodities	10.565	806780706	203,901
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>2,168,658</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Medicaid Administrative Claims	93.778	N/A	51,968
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>51,968</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 5,216,923</b>
* Indicates clustered program under OMB Compliance Supplement			
		Federal revenue per SEFA	\$ 5,216,923
		IRS bond subsidy	258,528
		Junior ROTC	68,992
		SHARS	1,883,103
		C-2 Federal revenue	<b>\$ 7,427,546</b>

The accompanying notes are an integral part of this schedule.



**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

**NOTE 1: BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the District, and is presented on the accrual basis of accounting. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2: INDIRECT COST RATE**

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The District has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.



**LA PORTE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED RESPONSES TO**  
**SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1**  
**For the Year Ended June 30, 2020**

<b>Data Control Codes</b>		<b>Responses</b>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial= statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the District make timely payments to the Teacher Retirement System (TRS),= Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the District was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued,= the District is considered to not have made timely payments.)  Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.  Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the District issued a warrant hold? Even if the issue surrounding the initial= warrant hold was resolved and cleared within 30 days, the District is considered= to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance= for grants, contracts, and laws related to local, state or federal funds?	No
SF7	Did the District post the required financial information on its website in accordance with Government code, Local Government code, Texas Education code, Texas administrative code and other statutes, laws and rules that were in effect at the District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a Board meeting= within 120 days before the school district adopted its budgets?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$ <u>          -          </u>

