

# **Comprehensive Annual Financial Report**

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

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

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

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

**Christine A. Porter, CPA  
Associate Superintendent for Finance**



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

**BOARD OF TRUSTEES**

Pam Goodson, President  
Community Volunteer/Former Educator

Chris Gonzalez, Vice President  
Marketing and Education Consultant

Minda Caesar, Secretary  
Community Volunteer/Parent

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

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

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

Chris Vierra, Trustee  
Communications Consultant/Parent

**ADMINISTRATION**

Jennifer Blaine, Ed. D., Superintendent of Schools

Christine A. Porter, CPA, Associate Superintendent for Finance

**CONSULTANTS AND ADVISORS**

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

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

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

Masterson Advisors LLC  
Houston, Texas – Co-Financial Advisor

**CERTIFICATE OF BOARD**

**Spring Branch Independent School District**

**Harris**

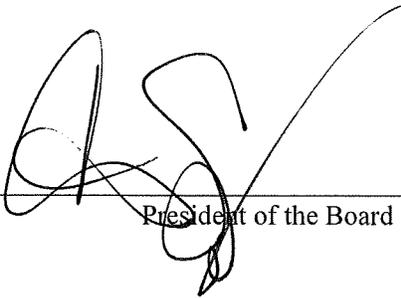
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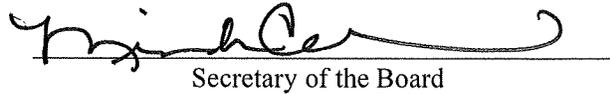
\_\_\_\_\_  
Name of School District

\_\_\_\_\_  
County

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

We, the undersigned, certify that the annual financial reports for the above named school district were reviewed and approved for the year ended June 30, 2020, at a meeting of the Board of Trustees of such school district on the 16<sup>th</sup> of November 2020.

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

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



November 9, 2020

To the Board of Trustees and Taxpayers of the Spring Branch Independent School District:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Spring Branch Independent School District (the “District”) for the fiscal year ended June 30, 2020.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District’s financial statements have been audited by Whitley Penn L.L.P., CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the District’s financial statements for the period ended June 30, 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 of the District was part of a broader, federally-mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District’s separately issued Single Audit Report.

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

## **Profile of the District**

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

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

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

The District educates children from all over the world, and its student body reflects the increasing diversity of Texas and the nation. The district had a 2019-20 enrollment of 35,188 students. In that year, about 60 percent of all students were Hispanic, 26 percent were white, 6 percent were Asian, 5 percent were African-American, and 3 percent were American Indian or two or more ethnicities. The district’s official enrollment for 2020-21 was not finalized at the time of this report.

The District’s strategic single goal, known as Spring Branch T-2-4, is clearly focused on increasing student achievement and developing a culture of high expectations for all students. This goal challenges the system to increase the number of students completing a technical certificate or military training, two-year or four-year degree from the current 44 percent to 72 percent by 2022.

To help achieve this goal, Superintendent of Schools Jennifer Blaine, Ed.D., has made clear the system’s topmost priorities since taking on district leadership in May 2019. These priorities are literacy, numeracy, social-emotional learning supports, and digital expansion. Dr. Blaine’s laser-focused articulation of clear academic goals allows the District to focus and align its priorities in support of T-2-4.

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

The District’s college-readiness indicators have consistently exceeded state and national averages. In March 2020, approximately 86 percent of juniors (2,119 students) took the district-funded School Day SAT. The average score of 1008 was higher than state and national average scores of 969 and 960, respectively. District ACT results this year rank above Texas and national averages. In 2020, the average ACT score in the District of 24.3 was the highest such composite score recorded in the past 10 years.

Meanwhile, the Advanced Placement (AP) program in the District remains strong. This spring, 4,720 AP course exams were taken by 2,331 District students. AP exams are graded on a five-point scale with a score of 3 roughly equivalent to a C grade, a score of 4 rough equivalent to a B, and a score of 5 similar to an A. In the recent exam, 65 percent of the scored exams were graded as a 3 or higher. Such scores may assist District graduates in earning future college credit or advanced course placements.

In October 2020, 31 high school seniors were named either National Merit Scholarship Program Semifinalists, National Hispanic Recognition Program award winners, or received African-American or Indigenous Scholar recognitions. As of the date of this report, 16 National Merit Semifinalists are now eligible through this program for significant business or scholarship opportunities.

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

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

Elsewhere, the non-traditional Academy of Choice offers online, personalized learning and small group instruction. In 2013, the Spring Branch Academic Institute (SBAI) opened to serve children from kindergarten through fourth grade. This special program, a first in the Houston region, is designed to serve students identified and tested as highly gifted. SBAI classes are now being taught at Thornwood Elementary School, Spring Forest Middle School and Stratford High School.

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

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

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

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

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

## **Factors Affecting Financial Condition**

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

Local Economy. The District is located in Harris County 10 miles from downtown Houston. Houston, the 4<sup>th</sup> largest city in the United States, is a diverse vibrant metro with a strong economy. From 2010 to 2018 Houston added 1.1 million new residents.

The District is located in a desirable area of greater Houston. Residents of the District enjoy ready access to leading companies in key global industries including energy, life science, manufacturing, logistics and aerospace, as well as many colleges and universities, a dynamic cultural arts community, and excellent recreational opportunities.

For the fiscal years ended June 30, 2021, 2020, and 2019 property values in the District increased 4.4%, 5.0% and 2.4%, respectively. The Harris County unemployment rate was 8.4% in August 2020, 3.8% in August 2019 and 4.7% in August 2018. These economic indicators and the strength of the greater Houston economy suggest continued moderate growth in the District's tax base. See Table 12 Demographic and Economic Statistics of this report for additional information.

The outbreak of the COVID-19 pandemic has adversely affected the economy of the state of Texas and greater Houston. The full extent of the pandemic on the District's operating and financial performance is dependent on the severity and duration of the pandemic which is not known at this time. The Texas Education Agency has taken steps to stabilize funding of public education in the near term. The District's robust financial position including \$137 million of General Fund balance as well as the strong wealth and income profile of the Spring Branch community moderate the District's exposure to the economic downturn caused by COVID-19.

## **Relevant Financial Policies**

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

Fund Balance. Recognizing fund balance as key in maintaining a strong financial position, the Board policy regarding fund balance stipulates a goal of maintaining an adequate fund balance. The level of adequacy for the general fund balance is defined as 19% of the current budget (except for non-spendable or restricted), while the debt service fund is defined as 15% of the current year debt service requirements.

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

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The TEA has awarded the District a rating of "A - Superior" for the 2019-2020 Financial Integrity Rating System of Texas (FIRST). FIRST requires Texas public schools to be accountable for their financial management practices. The District's rating was based on performance against fifteen indicators of financial accountability. The district's numeric score on the indicators was 98 out of 100 demonstrating the quality of the District's financial management practices and reporting system.

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

Respectfully submitted,



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Dr. Jennifer Blaine, Ed. D.  
Superintendent of Schools



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Christine A. Porter, CPA  
Associate Superintendent for Finance

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Spring Branch Independent School District, Texas for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

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

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



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Spring Branch Independent  
School District, Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

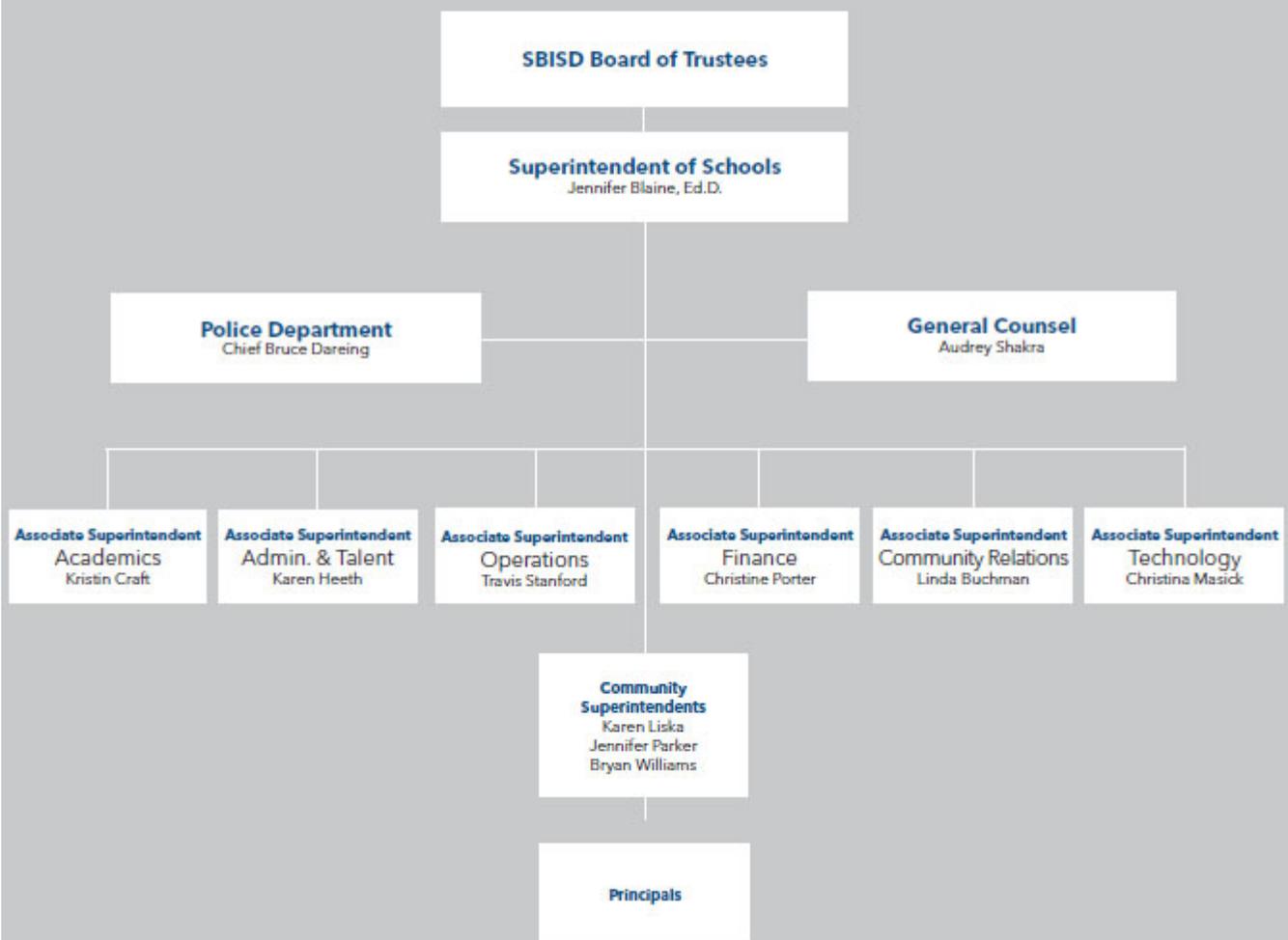
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



## Spring Branch Independent School District



Last Updated: September, 2020

## **FINANCIAL SECTION**



## REPORT OF INDEPENDENT AUDITORS

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Spring Branch Independent School District (the “District”) as of and for the year ended June 30, 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.

### Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 required supplementary information, such as management's discussion and analysis, budgetary comparison, pension information and other post-employment benefit information on pages 5-13, 83-84, and 85-89 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

To the Board of Trustees  
Spring Branch Independent School District

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 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 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.

Handwritten signature in cursive script that reads "Whitley Penn LLP".

Houston, Texas  
November 9, 2020



## **SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

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

As management of the Spring Branch Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii to vii of this report.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$162,162,128 (net position). Of this amount, \$225,406,888 was net investment in capital assets, \$24,434,511 was restricted for debt service, \$3,998,726 was restricted for the Food Service Program and \$11,243,321 was restricted for federal and state programs, leaving the District with a deficit of (\$102,921,318) in unrestricted net position. This deficit in unrestricted net position is due to the District's noncurrent liabilities of \$111,897,876 for the District's portion of the Teacher's Retirement System (TRS) net pension liability and \$130,631,462 for the District's portion of the TRS net other post-employment benefits liability.
- The District's total net position increased by Increase (Decrease) as a result of this year's operations.
- The District's governmental funds reported combined ending fund balances of \$490,270,929 as of June 30, 2020. Non-spendable fund balances include \$1,292,270 for inventories on hand in the General Fund and Special Revenue Fund, and \$1,514,891 for prepaid items in the General Fund and Special Revenue Fund. Restricted Grant fund balances include \$3,998,726, which is primarily the Food Service Program fund balance, \$299,578,819 for Capital Projects Fund construction projects, \$36,732,847 for ongoing Debt Service Fund expenditures, and \$11,242,611 for Special Revenue Funds. Committed fund balance is \$1,624,180, which includes Campus Activity funds included in the Special Revenue Fund. Management has assigned fund balance in the General Fund of \$45,706,382 for future spending and \$1,469,999 for capital equipment. The remaining amount in unassigned fund balance of \$87,110,204 includes General Fund encumbrances re-appropriated in the subsequent year's budget of \$5,898,016 and the remaining amount is available for spending at the government's discretion.

#### **Overview of the Financial Statements**

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

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

***Government-Wide Financial Statements***

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

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

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

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

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

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

***Fund Financial Statements***

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

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

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

All of the District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The focus of governmental funds is narrower than that of the government-wide financial statements therefore it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both, the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

***Notes to the Financial Statements***

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

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The District has presented the general fund budget to actual comparisons in the supplementary information found on page 92 of this report. Additionally, the District's Food Service program included in the special revenue fund has an appropriated budget in accordance with requirements of TEA. This program budget is included on pages 94 and 95 of this report as it is considered a perspective difference regarding required supplemental information for presentation of major special revenue fund budget comparison information in accordance with generally accepted financial reporting practices.

**Government-Wide Financial Analysis**

The government-wide financial statements for the District's overall financial position and operations for the fiscal years June 30, 2020 and June 30, 2019, are summarized as follows, based on the information included in the government-wide financial statements.

The District's total assets plus deferred outflows of resources exceeded total liabilities and deferred inflows of resources by as of June 30, 2020, an increase of Increase (Decrease) from June 30, 2019. The District's total unrestricted net position, which is the total net position of the District reduced by restricted net position of \$39,676,558 and net investment in capital assets of \$225,406,888, resulted in a deficit of (\$102,921,318) on June 30, 2020.

**Table I - Net Position Summary**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 617,750,377	\$ 411,063,674	\$ 2,962,877	\$ 3,006,653	\$ 620,713,254	\$ 414,070,327
Capital Assets	772,869,040	701,646,601	87,292	114,973	772,956,332	701,761,574
<b>Total Assets</b>	<u>1,390,619,417</u>	<u>1,112,710,275</u>	<u>3,050,169</u>	<u>3,121,626</u>	<u>1,393,669,586</u>	<u>1,115,831,901</u>
<b>Total Deferred Outflows of Resources</b>	<u>82,768,104</u>	<u>84,528,270</u>	<u>-</u>	<u>-</u>	<u>82,768,104</u>	<u>84,528,270</u>
Current Liabilities	129,491,398	83,655,332	284,610	282,663	129,776,008	83,937,995
Long-Term Liabilities	1,107,565,472	937,129,970	-	-	1,107,565,472	937,129,970
<b>Total Liabilities</b>	<u>1,237,056,870</u>	<u>1,020,785,302</u>	<u>284,610</u>	<u>282,663</u>	<u>1,237,341,480</u>	<u>1,021,067,965</u>
<b>Deferred Inflows of Resources</b>	<u>76,934,082</u>	<u>52,176,350</u>	<u>-</u>	<u>-</u>	<u>76,934,082</u>	<u>52,176,350</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	225,319,596	181,212,480	87,292	114,973	225,406,888	181,327,453
Restricted	39,676,558	40,362,752	-	-	39,676,558	40,362,752
Unrestricted	(105,599,585)	(97,298,339)	2,678,267	2,723,990	(102,921,318)	(94,574,349)
<b>Total Net Position</b>	<u>\$ 159,396,569</u>	<u>\$ 124,276,893</u>	<u>\$ 2,765,559</u>	<u>\$ 2,838,963</u>	<u>\$ 162,162,128</u>	<u>\$ 127,115,856</u>

Investment in capital assets (e.g. land, buildings, furniture and equipment) less any related debt used to acquire those assets that is still outstanding is \$225,406,888 as of June 30, 2020. Although the District's debt issuances are used primarily to acquire capital assets, it should be noted that the resources needed to repay the District's debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position of \$39,676,558 (approximately 24.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is a deficit of (\$102,921,318).

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

As shown in Table II, the net position of the District's governmental activities increased \$35,119,676 for the fiscal year ending June 30, 2020. The total cost of all governmental activities this year was FOR MD&A , a decrease of from the previous year. The amount that the District's taxpayers paid for governmental activities through property taxes was \$425,640,825 or 76.7%, with operating grants and contributions of \$88,431,358 or 15.9%, and state funding of \$23,955,821 or 4.3% as the next most significant sources of revenue. Other sources of revenue for governmental activities were \$4,447,373 from user charges and \$12,823,154 from interest and other income.

**Table II - Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 4,447,373	\$ 5,546,632	\$ 2,362,638	\$ 3,692,274	\$ 6,810,011	\$ 9,238,906
Operating Grants and Contributions	88,431,358	83,650,278	-	-	88,431,358	83,650,278
<b>General Revenues:</b>						
Property Taxes	425,640,825	425,224,864	-	-	425,640,825	425,224,864
State Grants and Other Grants	23,955,821	68,724,464	-	-	23,955,821	68,724,464
Interest	10,369,005	8,950,494	41,313	57,790	10,410,318	9,008,284
Other	2,454,149	2,153,586	-	-	2,454,149	2,153,586
<b>Total Revenues</b>	<b>555,298,531</b>	<b>594,250,318</b>	<b>2,403,951</b>	<b>3,750,064</b>	<b>557,702,482</b>	<b>598,000,382</b>
<b>Expenses</b>						
Instructional	268,839,993	234,722,680	-	-	268,839,993	234,722,680
Instruction Resources and Media	3,786,825	3,897,560	-	-	3,786,825	3,897,560
Curriculum/Staff Development	11,639,686	10,395,067	-	-	11,639,686	10,395,067
Instructional Leadership	7,075,713	6,941,358	-	-	7,075,713	6,941,358
School Leadership	23,117,862	21,475,508	-	-	23,117,862	21,475,508
Guidance and Counseling Services	19,316,645	16,858,291	-	-	19,316,645	16,858,291
Social Work Services	211,337	143,425	-	-	211,337	143,425
Health Services	4,583,605	4,177,526	-	-	4,583,605	4,177,526
Student (Pupil) Transportation	10,381,878	10,801,503	-	-	10,381,878	10,801,503
Child Nutrition	15,863,808	17,601,854	-	-	15,863,808	17,601,854
Cocurricular/Extracurricular	8,721,830	8,229,674	-	-	8,721,830	8,229,674
General Administration	9,972,097	12,886,945	-	-	9,972,097	12,886,945
Plant Maintenance and Operations	32,707,469	31,416,621	-	-	32,707,469	31,416,621
Security and Monitoring Services	5,753,602	4,768,930	-	-	5,753,602	4,768,930
Data Processing	10,815,413	10,542,995	-	-	10,815,413	10,542,995
Community Services	2,277,797	2,393,819	-	-	2,277,797	2,393,819
Interest and Fiscal Charges	31,148,500	25,400,696	-	-	31,148,500	25,400,696
Facilities Planning	10,467,783	10,896,450	-	-	10,467,783	10,896,450
Contracted Instructional Services	39,442,568	84,582,729	-	-	39,442,568	84,582,729
Payments to Districts of SSAs	505,942	463,835	-	-	505,942	463,835
Other Intergovernmental Charges	3,160,915	3,195,108	-	-	3,160,915	3,195,108
Other Business-Type Activities	-	-	2,864,942	3,099,982	2,864,942	3,099,982
<b>Total Expenses</b>	<b>519,791,268</b>	<b>521,792,574</b>	<b>2,864,942</b>	<b>3,099,982</b>	<b>522,656,210</b>	<b>524,892,556</b>
Excess (deficiency) before transfers	35,507,263	72,457,744	(460,991)	650,082	35,046,272	73,107,826
Transfers	(387,587)	3,895	387,587	(3,895)	-	-
Increase (Decrease) in Net Position	35,119,676	72,461,639	(73,404)	646,187	35,046,272	73,107,826
<b>Beginning Net Position</b>	<b>124,276,893</b>	<b>51,815,254</b>	<b>2,838,963</b>	<b>2,192,776</b>	<b>127,115,856</b>	<b>54,008,030</b>
<b>Ending Net Position</b>	<b>\$ 159,396,569</b>	<b>\$ 124,276,893</b>	<b>\$ 2,765,559</b>	<b>\$ 2,838,963</b>	<b>\$ 162,162,128</b>	<b>\$ 127,115,856</b>

Revenues for the District's governmental activities decreased year over year overall by (\$38,951,787) for the fiscal year ended June 30, 2020. In fiscal year 2019, operating grants and contributions included a one-time revenue payment of \$32 million related to lost revenue due to Hurricane Harvey.

Expenses for the District's governmental activities decreased year over year overall for the fiscal year ended June 30, 2020. In fiscal year 2020, a significant decrease in expenses included reduction in payments to the state for revenue in excess of entitlement of \$45.1 million compared to 2019.

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

The District's combined property tax rate decreased to \$1.3210 per \$100 of assessed value. This generated tax revenues of \$425.6 million in fiscal year 2020, an increase of \$0.4 million over the 2019 fiscal year. However, the District paid \$39.4 million of revenue in excess of entitlement back to the State.

Total cost of governmental activities includes depreciation of \$27.5 million. Capital outlay of \$103.1 million is not included in the above cost of governmental activities. In the government-wide financial statements, capital outlay is shown as an increase in the capital assets reported on the Statement of Net Position and depreciation expense is reported in the Statement of Activities in order to spread the recognition of the cost of capital assets over their estimated useful lives.

Net position of the District's business-type activities decreased \$0.1 million in fiscal year 2020.

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

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

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

At the end of fiscal year June 30, 2020 the District's governmental funds reported:

Combined ending fund balances were \$490,270,929, an increase of \$161,505,086 from the fiscal year ended June 30, 2019. An increase of \$7,203,034 in general fund and \$153,028,725 increase in the capital projects fund were the two most significant changes. Fiscal year 2020 debt issuance of \$230.9 million for construction projects was the primary reason for fund balance increase in the capital projects fund.

- \$87,110,204 or 18% of the combined ending fund balance constitutes unassigned fund balance. The remainder of fund balance is not available because it is nonspendable, restricted, committed or assigned as follows:
  - (1) Inventory \$1,292,270
  - (2) Prepaid items \$1,514,891
  - (3) Food service \$3,998,726, excluding #2
  - (4) Capital projects \$299,578,819
  - (5) Debt service \$36,732,847
  - (6) Special revenue \$11,242,611
  - (7) Campus activity \$1,624,180, excludes #2
  - (8) Capital expenditures for equipment \$1,469,999
  - (9) Compensated absences (retirement payoff) \$10,209,000
  - (10) Subsequent year expenditures \$9,755,382
  - (11) Natural disaster \$9,242,000
  - (12) Pandemic response \$16,500,000

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

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$87,110,204 while the total fund balance was \$137,092,260.

During fiscal year 2020 the fund balance of the general fund increased by \$7,203,034.

The District budgeted a \$17,611,293 decrease in fund balance. Budgeted expenditures within each functional spending category are a cap not to be exceeded. Accordingly, actual expenditure and actual use of fund balance will be less than budgeted. In addition \$8.1 million of state funding budgeted for the fiscal year ending June 30 2021 was received on June 26, 2020 earlier than expected.

At June 30, 2020 the debt service fund had a total fund balance of \$36,732,847 all of which is restricted for the payment of debt. The net increase in the fund balance during fiscal year 2020 in the debt service fund was \$134,123 as proceeds were matched to debt service expenditures.

The special revenue fund is used to account for all financial resources restricted to, or committed for, specific purposes by a grantor. The fund balance of the special revenue fund was \$16,867,003 on June 30, 2020, an increase of \$1,139,204 from June 30, 2019. Modest reduction in spending due to disruptions from the COVID 19 medical emergency contributed to the increase in fund balance.

The capital projects fund is used to account for financial resources to be used for the construction and renovation of District facilities. The District is in the initial stages of a 10-year bond program authorized by voters in November 2017. The fund balance of the District's capital projects fund was \$299,578,819 on June 30, 2020. The capital projects fund began the year with \$146,550,094 in fund balance. A fund balance increase of \$153,028,725 was due to receipts from debt issuance of \$230.9 million, with capital projects expenditures pending. Fund balance in the capital projects fund is restricted for future expenditure on capital projects.

**General Fund Budgetary Highlights**

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

As a high property wealth Chapter 49 district in fiscal year 2020, the District is required to send revenue in excess of entitlement funds back to the state. Revenue in excess of entitlement is locally assessed and collected tax dollars sent to the state to satisfy statewide school funding equalization. Revenue is based on Target Revenue calculated as Weighted Average Daily Attendance (WADA) times a basic allotment. For 2019-20 the amount of the basic allotment is \$6,160 per WADA.

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

- The revenue budget decreased by \$1.7 million during the year due to various budget amendments none of which were individually significant.
- The expenditure budget increased by \$6.8 million during the year.
  - Revenue in excess of entitlement increased by \$4.1 million
  - Roll forward of prior year encumbrances increased budget by \$2.8 million.
  - Various other budget amendments combined resulted in a net decrease of \$0.1 million.

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

**Capital Asset and Debt Administration**

**Capital Assets**

At the end of fiscal year 2020, the District had \$771.8 million (net of accumulated depreciation of \$346.9 million) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

**Table III - Capital Asset Summary**

	Governmental Activities		Business- Type Activities	
	2020	2019	2020	2019
Land	\$ 26,837,367	\$ 23,797,029	\$ -	\$ -
Buildings and Improvements	619,940,601	644,326,767	-	-
Furniture and Equipment	3,431,740	4,176,539	10,015	12,661
Vehicles	13,045,641	14,517,245	77,277	102,312
Construction in Progress	109,613,691	14,829,021	-	-
<b>Total Capital Assets,</b>				
<b>Net of Depreciation</b>	<b>\$ 772,869,040</b>	<b>\$ 701,646,601</b>	<b>\$ 87,292</b>	<b>\$ 114,973</b>

Additional information on the District’s capital assets can be found in Note 9 on pages 56 through 58 of this report.

**Debt**

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

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

The ratio of net bonded debt to assessed valuation is a useful indicator of the District’s debt position. This data is presented in the schedule “Ratios of Net General Obligation Bonded Debt Outstanding, Table 10” in the statistical section and reflects a decrease in the ratio of net bonded debt to assessed value to 1.96% as of June 30, 2020 compared to 1.98% as of June 30, 2019.

At year-end, the District had \$854.7 million in bonds outstanding including premiums on bonds at issuance. The District continues to enjoy excellent bond ratings of Aaa by Moody’s Investors Service and AAA by Standard & Poor’s by virtue of the Permanent School Fund Guarantee Program. The underlying ratings not enhanced by the Permanent School Fund Guarantee Program are Aa1 by Moody’s and AA from Standard and Poor’s.

At June 30, 2020, the District had \$497.4 million remaining authorized but unissued bonds.

More detailed information about the District's long-term liabilities is presented in Note 10 to the financial

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

statements on pages 59 through 61 of this report.

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

	Governmental Activities	
	2020	2019
General Obligation Bonds	\$ 854,675,443	\$ 675,008,810
Capital Lease	-	214,379
<b>Total Outstanding Debt</b>	<b>\$ 854,675,443</b>	<b>\$ 675,223,189</b>

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

Economic factors have a significant impact on the District's finances. Taxable property values increased 4.4% in the fiscal year 2021 budget following an increase of 5.5% in the fiscal year 2020 budget. As of June 2020, the unemployment rate for Texas was 8.4% an increase from the June 2019 rate of 3.8%. Inflationary trends in the region tend to be consistent with the national consumer price index (CPI) changes. However specific trends have required significant increases in school district expenditures. Ongoing competition to attract and hire highly qualified staff, particularly secondary teachers in selected disciplines, as well as mandated compensation increase under House Bill 3 have required increases in compensation expenditure.

Harris County continues to be an economically vibrant area. We believe the District's tax base will, in the long term, continue to grow along with the broader economy.

The District's elected and appointed officials considered many factors when setting the fiscal year 2021 combined property tax rate of \$1.3073 per \$100 of assessed value which includes a \$1.0028 M&O rate supporting General Fund expenditure. Excluding recapture budgeted fiscal year 2021 General Fund expenditures of \$351.1 million increase by \$6.4 million or 1.9% from the fiscal year 2020 final amended budget expenditures of \$344.7 million. Fiscal year 2021 budgeted General Fund revenues adjusted to include recapture are \$341.3 million. General Fund balance is budgeted to decrease \$9.8 million in fiscal year 2021 to \$102.5 million.

Costs of responding to the COVID-19 pandemic were not included in fiscal year 2021 budgeted expenditures as the severity and extent of the pandemic were not known when the District's budget was approved. The fiscal year 2021 budget includes assignment of \$16.5 million of General Fund balance to pandemic response. As of the date of this report the full extent of the pandemic on the District's operating and financial performance continues to be unknown. The severity and duration of the pandemic, decisions and directives by the State of Texas, as well as budget decisions by District officials will determine District expenditures responding to the pandemic. The District continues to believe that the \$16.5 million General Fund balance reserve will be adequate for responding to the COVID-19 pandemic in fiscal year 2021.

**Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

*Exhibit A-1*

**STATEMENT OF NET POSITION**

June 30, 2020

<b>Data Control Codes</b>		<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>				
1110	Cash and cash equivalents	\$ 14,298,435	\$ -	\$ 14,298,435
1120	Investments - current	551,352,897	2,501,249	553,854,146
1225	Property taxes receivables, net	10,613,323	-	10,613,323
1240	Due from other governments	11,767,883	-	11,767,883
1250	Accrued interest	1,418,025	-	1,418,025
1260	Internal balances	(441,388)	441,388	-
1290	Other receivables, net	459,444	20,240	479,684
1300	Inventories	1,769,558	-	1,769,558
1410	Prepaid items	1,514,891	-	1,514,891
Capital assets not subject to depreciation:				
1510	Land	26,837,367	-	26,837,367
1580	Construction in progress	109,613,691	-	109,613,691
Capital assets net of depreciation:				
1520	Buildings and improvements, net	619,940,601	-	619,940,601
1530	Furniture and equipment, net	3,431,740	10,015	3,441,755
1540	Vehicles, net	13,045,641	77,277	13,122,918
1910	Long-term investments	24,997,309	-	24,997,309
<b>1000</b>	<b>Total Assets</b>	<b>1,390,619,417</b>	<b>3,050,169</b>	<b>1,393,669,586</b>
<b>Deferred Outflows of Resources</b>				
	Deferred loss on refunding	7,547,180	-	7,547,180
	Deferred outflows - pension	52,470,648	-	52,470,648
	Deferred outflows - other post employment benefits	22,750,276	-	22,750,276
<b>1700</b>	<b>Total Deferred Outflows of Resources</b>	<b>82,768,104</b>	<b>-</b>	<b>82,768,104</b>
<b>Liabilities</b>				
2110	Accounts payable	36,975,347	165	36,975,512
2140	Interest payable	14,228,151	-	14,228,151
2150	Payroll deductions and withholdings	6,423,437	-	6,423,437
2160	Accrued wages payable	28,737,872	266,553	29,004,425
2180	Due to other governments	40,830,317	-	40,830,317
2200	Accrued expenses	1,776,262	-	1,776,262
2300	Unearned revenue	520,012	17,892	537,904
Noncurrent Liabilities:				
2501	Due within one year	28,772,771	-	28,772,771
2502	Due in more than one year	836,263,363	-	836,263,363
2540	Net pension liability	111,897,876	-	111,897,876
2545	Net other post-employment benefits liability	130,631,462	-	130,631,462
<b>2000</b>	<b>Total Liabilities</b>	<b>1,237,056,870</b>	<b>284,610</b>	<b>1,237,341,480</b>
<b>Deferred Inflows of Resources</b>				
	Deferred inflows - pensions	20,420,972	-	20,420,972
	Deferred inflows - other post employment benefits	56,513,110	-	56,513,110
<b>2600</b>	<b>Deferred Inflows of Resources</b>	<b>76,934,082</b>	<b>-</b>	<b>76,934,082</b>
<b>Net Position</b>				
3200	Net investment in capital assets	225,319,596	87,292	225,406,888
Restricted for:				
3820	Federal and state programs	11,243,321	-	11,243,321
3820	Food service	3,998,726	-	3,998,726
3850	Debt service	24,434,511	-	24,434,511
3900	Unrestricted	(105,599,585)	2,678,267	(102,921,318)
<b>3000</b>	<b>Total net position</b>	<b>\$ 159,396,569</b>	<b>\$ 2,765,559</b>	<b>\$ 162,162,128</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET ACTIVITIES**  
*For the Year Ended June 30, 2020*

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

Data Control Codes	Functions/Programs	Expenses	Program Revenue	
			Charges for Services	Operating Grants and Contributions
	<b>Governmental activities</b>			
11	Instruction	\$ 268,839,993	\$ 2,009,577	\$ 42,578,688
12	Instructional Resources and Media Services	3,786,825	-	413,295
13	Curriculum and Staff Development	11,639,686	-	4,710,877
21	Instructional Leadership	7,075,713	-	1,278,232
23	School Leadership	23,117,862	-	2,525,192
31	Guidance, Counseling, and Evaluation Services	19,316,645	-	5,020,159
32	Social Work Services	211,337	-	71,337
33	Health Services	4,583,605	-	5,786,166
34	Student Transportation	10,381,878	-	769,215
35	Food Service	15,863,808	1,658,745	13,070,743
36	Extracurricular Activities	8,721,830	387,840	545,415
41	General Administration	9,972,097	115,000	4,400,500
51	Plant, Maintenance and Operations	32,707,469	148,272	2,221,416
52	Security and Monitoring Services	5,753,602	127,939	608,566
53	Data Processing Services	10,815,413	-	2,407,894
61	Community Services	2,277,797	-	1,265,291
72	Interest on Long-term Debt	30,444,451	-	-
73	Debt Issuance costs and fees	704,049	-	-
81	Facilities Repairs and Maintenance	10,467,783	-	252,430
91	Contracted Instructional Services	39,442,568	-	-
93	Payments Related to Shared Services Arrangements	505,942	-	505,942
99	Other Intergovernmental Charges	3,160,915	-	-
<b>TG</b>	<b>Total governmental activities</b>	<u>519,791,268</u>	<u>4,447,373</u>	<u>88,431,358</u>
	<b>Business-type activities</b>			
01	Athletic Rentals/Concessions	656,589	439,574	-
03	Employee Childcare	1,456,390	1,161,682	-
04	Community Education	37,653	22,786	-
06	Fine Arts	98,844	101,062	-
07	Facility Rentals	333,334	521,056	-
08	Summer School	195,980	116,478	-
09	Other	86,152	-	-
<b>TB</b>	<b>Total business-type activities</b>	<u>2,864,942</u>	<u>2,362,638</u>	<u>-</u>
<b>TP</b>	<b>Total primary government</b>	<u>\$ 522,656,210</u>	<u>\$ 6,810,011</u>	<u>\$ 88,431,358</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2020

*Exhibit B-1*  
Page 2 of 2

Data Control Codes	Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
		Governmental Activities	Business-type Activities	Total
	<b>Governmental activities</b>			
11	Instruction	\$ (224,251,728)	\$ -	\$ (224,251,728)
12	Instructional Resources and Media Services	(3,373,530)	-	(3,373,530)
13	Curriculum and Staff Development	(6,928,809)	-	(6,928,809)
21	Instructional Leadership	(5,797,481)	-	(5,797,481)
23	School Leadership	(20,592,670)	-	(20,592,670)
31	Guidance, Counseling, and Evaluation Services	(14,296,486)	-	(14,296,486)
32	Social Work Services	(140,000)	-	(140,000)
33	Health Services	1,202,561	-	1,202,561
34	Student Transportation	(9,612,663)	-	(9,612,663)
35	Food Service	(1,134,320)	-	(1,134,320)
36	Extracurricular Activities	(7,788,575)	-	(7,788,575)
41	General Administration	(5,456,597)	-	(5,456,597)
51	Plant, Maintenance and Operations	(30,337,781)	-	(30,337,781)
52	Security and Monitoring Services	(5,017,097)	-	(5,017,097)
53	Data Processing Services	(8,407,519)	-	(8,407,519)
61	Community Services	(1,012,506)	-	(1,012,506)
72	Interest on Long-term Debt	(30,444,451)	-	(30,444,451)
73	Debt Issuance costs and fees	(704,049)	-	(704,049)
81	Facilities Planning	(10,215,353)	-	(10,215,353)
91	Contracted Instructional Services	(39,442,568)	-	(39,442,568)
93	Payments Related to Shared Services Arrangements	-	-	-
99	Other Intergovernmental Charges	(3,160,915)	-	(3,160,915)
<b>TG</b>	<b>Total governmental activities</b>	<b>(426,912,537)</b>	<b>-</b>	<b>(426,912,537)</b>
	<b>Business-type activities</b>			
01	Athletic Rentals/Concessions	-	(217,015)	(217,015)
03	Employee Childcare	-	(294,708)	(294,708)
04	Community Education	-	(14,867)	(14,867)
06	Fine Arts	-	2,218	2,218
07	Facility Rentals	-	187,722	187,722
08	Summer School	-	(79,502)	(79,502)
09	Other	-	(86,152)	(86,152)
<b>TB</b>	<b>Total business-type activities</b>	<b>-</b>	<b>(502,304)</b>	<b>(502,304)</b>
<b>TP</b>	<b>Total primary government</b>	<b>(426,912,537)</b>	<b>(502,304)</b>	<b>(427,414,841)</b>
	<b>General revenues</b>			
	<b>Taxes:</b>			
<b>MT</b>	Property taxes, levied for general purposes	322,754,632	-	322,754,632
<b>DT</b>	Property taxes, levied for debt service	102,886,193	-	102,886,193
<b>SF</b>	State-aid formula grants	23,955,821	-	23,955,821
<b>IE</b>	Investment earnings	10,369,005	41,313	10,410,318
<b>MI</b>	Miscellaneous	2,454,149	-	2,454,149
<b>FR</b>	Transfers	(387,587)	387,587	-
<b>TR</b>	<b>Total general revenues, and transfers</b>	<b>462,032,213</b>	<b>428,900</b>	<b>462,461,113</b>
<b>CN</b>	Change in net position	35,119,676	(73,404)	35,046,272
<b>NB</b>	<b>Net position - beginning, as restated</b>	<b>124,276,893</b>	<b>2,838,963</b>	<b>127,115,856</b>
<b>NE</b>	<b>Net position - ending</b>	<b>\$ 159,396,569</b>	<b>\$ 2,765,559</b>	<b>\$ 162,162,128</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

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

<u>Data Control Codes</u>		<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
<b>Assets</b>				
1110	Cash and cash equivalents	\$ 286,192	\$ 10,925,627	\$ 165,405
1120	Investments - current	204,915,284	4,201,475	30,931,433
Receivables:				
1220	Property taxes - delinquent	12,929,597	-	3,356,043
1230	Allowance for uncollectible taxes (credit)	(4,655,982)	-	(1,016,335)
1240	Receivables from other governments	6,945,797	4,789,390	32,696
1250	Accrued interest	483,996	9	41,932
1260	Due from other funds	421,223	488,148	151,488
1290	Other receivables	176,685	282,759	-
1300	Inventories	1,292,018	477,540	-
1410	Prepaid items	1,513,657	1,234	-
1490	Long-term investments	-	-	5,000,000
<b>1000</b>	<b>Total Assets</b>	<u>\$ 224,308,467</u>	<u>\$ 21,166,182</u>	<u>\$ 38,662,662</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
<b>Liabilities:</b>				
2110	Accounts payable	\$ 3,203,767	\$ 1,281,503	\$ -
2150	Payroll deductions and withholdings	6,362,474	6,905	-
2160	Accrued wages payable	26,335,352	2,370,477	-
2170	Due to other funds	861,164	581,007	-
2180	Payable to other governments	40,830,317	-	-
2200	Accrued expenditures	1,776,262	-	-
2300	Unearned revenue	460,725	59,287	-
<b>2000</b>	<b>Total Liabilities</b>	<u>79,830,061</u>	<u>4,299,179</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
	Unavailable revenue - property taxes	7,386,146	-	1,929,815
<b>2600</b>	<b>Deferred Inflows of Resources</b>	<u>7,386,146</u>	<u>-</u>	<u>1,929,815</u>
<b>Fund Balance:</b>				
<b>Nonspendable:</b>				
3410	Inventories	1,292,018	252	-
3430	Prepaid items	1,513,657	1,234	-
<b>Restricted:</b>				
3450	Grant funds	-	3,998,726	-
3470	Capital acquisitions and obligations	-	-	-
3480	Debt service	-	-	36,732,847
3490	Local funds	-	11,242,611	-
<b>Committed:</b>				
3545	Other	-	1,624,180	-
<b>Assigned:</b>				
3570	Capital expenditures for equipment	1,469,999	-	-
3590	Other	45,706,382	-	-
<b>Unassigned:</b>				
3600	Unassigned	87,110,204	-	-
<b>3000</b>	<b>Total fund balances</b>	<u>137,092,260</u>	<u>16,867,003</u>	<u>36,732,847</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 224,308,467</u>	<u>\$ 21,166,182</u>	<u>\$ 38,662,662</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

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

<b>Data Control Codes</b>		<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
1110	Cash and cash equivalents	\$ 2,108	\$ 11,379,332
1120	Current investments	311,304,705	551,352,897
	Receivables:		
1220	Property taxes - delinquent	-	16,285,640
1230	Allowance for uncollectible taxes (credit)	-	(5,672,317)
1240	Receivables from other governments	-	11,767,883
1250	Accrued interest	892,088	1,418,025
1260	Due from other funds	1,209	1,062,068
1290	Other receivables	-	459,444
1300	Inventories	-	1,769,558
1410	Prepaid items	-	1,514,891
1490	Long-term investments	19,997,309	24,997,309
<b>1000</b>	<b>Total Assets</b>	<b>\$ 332,197,419</b>	<b>\$ 616,334,730</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities:</b>			
2110	Accounts payable	\$ 32,520,839	\$ 37,006,109
2150	Payroll deductions and withholdings	-	6,369,379
2160	Accrued wages payable	36,476	28,742,305
2170	Due to other funds	61,285	1,503,456
2180	Payable to other governments	-	40,830,317
2200	Accrued expenditures	-	1,776,262
2300	Unearned revenue	-	520,012
<b>2000</b>	<b>Total Liabilities</b>	<b>\$ 32,618,600</b>	<b>\$ 116,747,840</b>
<b>Deferred Inflows of Resources</b>			
	Unavailable revenue - property taxes	-	9,315,961
<b>2600</b>	<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>9,315,961</b>
<b>Fund Balance:</b>			
<b>Nonspendable:</b>			
3410	Inventories	-	1,292,270
3430	Prepaid items	-	1,514,891
<b>Restricted:</b>			
3450	Grant funds	-	3,998,726
3470	Capital acquisitions and obligations	299,578,819	299,578,819
3480	Debt service	-	36,732,847
3490	Local funds	-	11,242,611
<b>Committed:</b>			
3545	Other	-	1,624,180
<b>Assigned:</b>			
3570	Capital expenditures for equipment	-	1,469,999
3590	Other	-	45,706,382
<b>Unassigned:</b>			
3600	Unassigned	-	87,110,204
<b>3000</b>	<b>Total fund balances</b>	<b>299,578,819</b>	<b>490,270,929</b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 332,197,419</b>	<b>\$ 616,334,730</b>



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET POSITION**  
*June 30, 2020*

*Exhibit C-2*

<u>Data Control Codes</u>		
	<b>Total fund balance, governmental funds</b>	\$ 490,270,929
	Amounts reported for governmental activities in the statement of Net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	772,869,040
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	9,315,961
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
3	General obligation bonds	(783,660,000)
4	Premiums on issuance	(71,015,443)
5	Accrued compensated absences	(10,355,939)
6	Accrued interest payable	(14,228,151)
7	Net pension liability	(111,897,876)
8	Net other post employment liability	(130,631,462)
9	Deferred loss on refunding	7,547,180
10	Deferred outflow related to TRS pension	52,470,648
11	Deferred outflow related to TRS OPEB	22,750,276
12	Deferred inflow related to TRS pension	(20,420,972)
13	Deferred inflow related to TRS OPEB	(56,513,110)
14	Addition of Internal Service fund net position	<u>2,895,488</u>
19	<b>Total net position - governmental activities (See B-1)</b>	<u><u>\$ 159,396,569</u></u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

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

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 327,888,281	\$ 7,601,916	\$ 103,220,382
5800	State program revenues	41,400,557	7,891,100	522,632
5900	Federal program revenues	8,721,675	37,072,542	-
<b>5020</b>	<b>Total revenues</b>	<u>378,010,513</u>	<u>52,565,558</u>	<u>103,743,014</u>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	200,208,540	21,696,964	-
0012	Instruction resources and media services	3,474,695	155,010	-
0013	Curriculum and instructional staff development	7,005,388	4,030,856	-
0021	Instructional leadership	5,775,249	816,563	-
0023	School leadership	21,184,611	320,629	-
0031	Guidance, counseling and evaluation services	14,512,899	3,688,340	-
0032	Social work services	130,169	72,691	-
0033	Health services	4,164,441	98,282	-
0034	Student transportation	8,417,919	260,912	-
0035	Food services	34,854	14,986,566	-
0036	Extracurricular activities	6,018,821	635,762	-
0041	General administration	9,317,329	164,322	-
0051	Facilities maintenance and operations	30,874,395	654,200	-
0052	Security and monitoring services	5,269,016	108,447	-
0053	Data processing services	7,718,230	1,342,610	-
0061	Community services	1,038,161	963,015	-
<b>Debt service:</b>				
0071	Principal on long-term debt	214,379	-	69,990,000
0072	Interest on long-term debt	2,146	-	33,599,399
0073	Bond issuance costs and fees	-	-	20,835
<b>Capital outlay:</b>				
0081	Capital outlay	3,242,023	178,946	-
<b>Intergovernmental:</b>				
0091	Contracted instructional services	39,442,568	-	-
0093	Payments related to shared services arrangements	-	505,942	-
0099	Other intergovernmental charges	3,160,915	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>371,206,748</u>	<u>50,680,057</u>	<u>103,610,234</u>
1100	Excess (deficiency) of revenues over expenditures	<u>6,803,765</u>	<u>1,885,501</u>	<u>132,780</u>
<b>Other Financing Sources (Uses)</b>				
7911	Issuance of capital related debt	-	-	-
7912	Sale of real or personal property	37,251	3,308	-
7915	Transfers in	782,304	-	1,343
7916	Premium or discount on issuance of bonds	-	-	-
8911	Transfers out	(420,286)	(749,605)	-
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>399,269</u>	<u>(746,297)</u>	<u>1,343</u>
1200	Net change in fund balances	7,203,034	1,139,204	134,123
<b>0100</b>	<b>Fund Balances - Beginning</b>	<u>129,889,226</u>	<u>15,727,799</u>	<u>36,598,724</u>
<b>3000</b>	<b>Fund Balances - Ending</b>	<u>\$ 137,092,260</u>	<u>\$ 16,867,003</u>	<u>\$ 36,732,847</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

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

<u>Data Control Codes</u>		<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 6,495,861	\$ 445,206,440
5800	State program revenues	-	49,814,289
5900	Federal program revenues	-	45,794,217
<b>5020</b>	<b>Total revenues</b>	<u>6,495,861</u>	<u>540,814,946</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011	Instruction	21,338	221,926,842
0012	Instruction resources and media services	-	3,629,705
0013	Curriculum and instructional staff development	-	11,036,244
0021	Instructional leadership	-	6,591,812
0023	School leadership	-	21,505,240
0031	Guidance, counseling and evaluation services	-	18,201,239
0032	Social work services	-	202,860
0033	Health services	-	4,262,723
0034	Student transportation	-	8,678,831
0035	Food services	-	15,021,420
0036	Extracurricular activities	-	6,654,583
0041	General administration	-	9,481,651
0051	Facilities maintenance and operations	22,480	31,551,075
0052	Security and monitoring services	-	5,377,463
0053	Data processing services	-	9,060,840
0061	Community services	-	2,001,176
<b>Debt service:</b>			
0071	Principal on long-term debt	-	70,204,379
0072	Interest on long-term debt	-	33,601,545
0073	Bond issuance costs and fees	1,699,308	1,720,143
<b>Capital outlay:</b>			
0081	Capital outlay	108,411,063	111,832,032
<b>Intergovernmental:</b>			
0091	Contracted instructional services	-	39,442,568
0093	Payments related to shared services arrangements	-	505,942
0099	Other intergovernmental charges	-	3,160,915
<b>6030</b>	<b>Total Expenditures</b>	<u>110,154,189</u>	<u>635,651,228</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(103,658,328)</u>	<u>(94,836,282)</u>
<b>Other Financing Sources (Uses)</b>			
7911	Issuance of capital related debt	230,880,000	230,880,000
7912	Sale of real or personal property	-	40,559
7915	Transfers in	-	783,647
7916	Premium or discount on issuance of bonds	25,808,396	25,808,396
8911	Transfers out	(1,343)	(1,171,234)
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>256,687,053</u>	<u>256,341,368</u>
1200	Net change in fund balances	153,028,725	161,505,086
<b>0100</b>	<b>Fund Balances - Beginning</b>	<u>146,550,094</u>	<u>328,765,843</u>
<b>3000</b>	<b>Fund Balances - Ending</b>	<u>\$ 299,578,819</u>	<u>\$ 490,270,929</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended June 30, 2020*

*Exhibit C-4*

<b>Data Control Codes</b>		
	<b>Net change in fund balances - total governmental funds (from C-3)</b>	\$ 161,505,086
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
<b>1</b>	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.	
	Capital expenditures reclassified to assets.	103,122,543
	Depreciation expense charged to each function in the Statement of Activities	(27,461,156)
<b>2</b>	Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain (loss) on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	(4,438,948)
<b>3</b>	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,364,058
<b>4</b>	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	69,990,000
<b>5</b>	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(230,880,000)
<b>6</b>	Premium from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(25,808,396)
<b>7</b>	Repayment of capital lease	214,379
<b>8</b>	Pension contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in net pension liability as opposed to expenses in the statement of activity.	8,391,162
<b>9</b>	OPEB contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in OPEB liability as opposed to expenses in the statement of activity.	2,085,808
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
<b>10</b>	Increase in interest payable not recognized in fund statements	(2,166,781)
<b>11</b>	Increase in accrued compensated absences	(9,370)
<b>12</b>	Amortization of bond premiums	7,031,763
<b>13</b>	Amortization on deferred loss on refunding	(691,794)
<b>14</b>	TRS pension expense for the pension plan measurement year	(22,725,209)
<b>15</b>	TRS OPEB expense for the pension plan measurement year	(4,546,991)
<b>16</b>	Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds.	143,522
	<b>Change in net position of governmental activities</b>	<u>\$ 35,119,676</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2020*

*Exhibit D-1*

<u>Data Control Codes</u>		<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
	<b>Assets</b>		
	<b>Current Assets:</b>		
1110	Cash and cash equivalents	\$ -	\$ 2,919,103
1120	Investments	2,501,249	-
	<b>Receivables:</b>		
1260	Due from other funds	682,072	-
1290	Other receivables	20,240	-
	<b>Total current assets</b>	<u>3,203,561</u>	<u>2,919,103</u>
	<b>Land, Buildings and Equipment:</b>		
1530	Furniture and equipment	118,905	44,350
1531	Vehicles	276,150	147,500
1572	Accumulated depreciation - vehicles	(198,873)	(147,500)
1573	Accumulated depreciation - furniture and equipment	(108,890)	(44,350)
	<b>Total non-current assets</b>	<u>87,292</u>	<u>-</u>
<b>1000</b>	<b>Total Assets</b>	<u>3,290,853</u>	<u>2,919,103</u>
	<b>Liabilities</b>		
	Current Liabilities:		
2110	Accounts payable	165	22,609
2160	Accrued wages payable	266,553	1,006
2170	Due to other funds	240,684	-
2300	Unearned revenue	17,892	-
	<b>Total current liabilities</b>	<u>525,294</u>	<u>23,615</u>
<b>2000</b>	<b>Total Liabilities</b>	<u>525,294</u>	<u>23,615</u>
	<b>Net Position</b>		
3200	Investment in capital assets	87,292	-
3900	Unrestricted net position	2,678,267	2,895,488
<b>3000</b>	<b>Total Net Position</b>	<u>\$ 2,765,559</u>	<u>\$ 2,895,488</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the Year Ended June 30, 2020*

*Exhibit D-2*

<u>Data Control Codes</u>		<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
	<b>Operating Revenues</b>		
5700	Local and intermediate sources	\$ 2,367,718	\$ 156
5754	Interfund services provided and used	-	1,228,513
<b>5020</b>	<b>Total Operating Revenues</b>	<u>2,367,718</u>	<u>1,228,669</u>
	<b>Operating Expenses</b>		
6100	Payroll costs	1,983,216	239,163
6200	Purchased and contracted services	287,048	106,925
6300	Supplies and materials	269,243	69,727
6400	Claims expense and other operating expenses	302,832	669,332
6449	Depreciation	22,603	-
<b>6030</b>	<b>Total Operating Expenses</b>	<u>2,864,942</u>	<u>1,085,147</u>
1200	Operating Income	<u>(497,224)</u>	<u>143,522</u>
	<b>Non-Operating Revenues</b>		
7020	Investment earnings	41,313	-
	Loss on Disposal of property	(5,080)	-
	<b>Total Non-Operating Revenues</b>	<u>36,233</u>	<u>-</u>
	Income before Transfers	<u>(460,991)</u>	<u>143,522</u>
7915	Transfers in	420,286	-
8911	Transfers out	(32,699)	-
	<b>Total Transfers</b>	<u>387,587</u>	<u>-</u>
1200	Change in Net Position	(73,404)	143,522
	<b>Net Position</b>		
<b>0100</b>	<b>Total Net Position - Beginning</b>	<u>2,838,963</u>	<u>2,751,966</u>
<b>3300</b>	<b>Total Net Position - Ending</b>	<u>\$ 2,765,559</u>	<u>\$ 2,895,488</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2020**

*Exhibit D-3*

	<b>Business-type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 1,885,824	\$ -
Receipts from interfund charges for insurance services	-	1,228,669
Payments to suppliers for goods and services	(672,515)	(870,354)
Payments to employees	(1,974,174)	(238,226)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(760,865)</b>	<b>120,089</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Advances from other funds	420,286	-
Advances to other funds	(32,699)	-
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>387,587</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>		
Interest on investments	41,311	-
<b>Net Cash Provided by Investing Activities</b>	<b>41,311</b>	<b>-</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(331,967)	120,089
<b>Cash and Investments - Beginning of Year</b>	<b>2,833,216</b>	<b>2,799,014</b>
<b>Cash and Investments - End of Year</b>	<b>\$ 2,501,249</b>	<b>\$ 2,919,103</b>
<b>Reconciliation to Balance Sheet:</b>		
Cash and Investments	\$ -	\$ 2,919,103
Investments	2,501,249	-
Cash and Cash Equivalents per Balance Sheet	\$ 2,501,249	\$ 2,919,103
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	\$ (497,224)	\$ 143,522
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>		
Depreciation	22,603	-
<b>Change in Assets and Liabilities:</b>		
Decrease (increase) in Interfund Receivables	(461,529)	-
Decrease (increase) in Receivable	(18,707)	-
Increase (decrease) in Accounts Payable	(5,437)	(24,370)
Increase (decrease) in Accrued Wages Payable	9,042	937
Increase (decrease) in Interfund Payables	192,045	-
Increase (decrease) in Unearned Revenue	(1,658)	-
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (760,865)</b>	<b>\$ 120,089</b>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
*June 30, 2020*

*Exhibit E-1*

<u>Data Control Codes</u>		<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
	<b>Assets</b>		
1110	Cash and cash equivalents	\$ 9,998	\$ 3,260,198
1120	Investments	225,007	291,576
1290	Other receivables	-	5,580
<b>1000</b>	<b>Total Assets</b>	<u>235,005</u>	<u>\$ 3,557,354</u>
	<b>Liabilities</b>		
2110	Accounts payable	-	\$ 97,026
2150	Payroll deductions and withholding	-	462,162
2190	Due to others	-	2,998,166
<b>2000</b>	<b>Total Liabilities</b>	<u>-</u>	<u>\$ 3,557,354</u>
	<b>Net Position</b>		
3800	Restricted - other	<u>\$ 235,005</u>	

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
*For the Year Ended June 30, 2020*

*Exhibit E-2*

	<b>Private Purpose Trust Fund</b>
<b>Additions</b>	
Gifts and contributions	\$ 4,000
Earnings on investments	3,105
<b>Total Additions</b>	<u>7,105</u>
<b>Deductions</b>	
Community Service	<u>1,500</u>
<b>Total Deductions</b>	<u>1,500</u>
Change in net position	5,605
<b>Net position - Beginning of Year</b>	<u>229,400</u>
<b>Net position - End of Year</b>	<u>\$ 235,005</u>



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

The Spring Branch Independent School District (the "District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven-member Board of Trustees elected by the District's residents.

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

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

**A. Reporting Entity**

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

As required by U.S. generally accepted accounting principles, these basic financial statements have been prepared, based on considerations regarding the potential for inclusion of other entities, organizations, or functions, as part of the District's financial reporting entity. The District has implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District receives support from various Parent Teacher Organizations (PTO), booster clubs and foundation organizations. None of these organizations meet the criteria specified by GASB No. 39 to be included in the District's financial statements. Therefore, there are no component units included within the reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**D. Fund Accounting**

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

**Governmental Funds:**

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

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

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

**D. Fund Accounting (continued)**

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

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

**Proprietary Funds:**

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

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

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

**Fiduciary Funds:**

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

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

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

**1. Cash and Cash Equivalents**

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

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

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

**2. Investments**

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

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

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

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

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

Market values are provided by Hilltop Securities Asset Management, LLC (HSAM). HSAM's source for pricing government securities (Treasuries and agencies) and most commercial paper is SVC, a subsidiary of SS&C and an information aggregator. SVC uses a number of sources for their pricing data, with most government securities and commercial paper pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service, which is the largest source provider of fixed income pricing. Interactive Data's evaluations are based on market data. Interactive Data utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information.

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

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

**2. Investments (continued)**

Because many fixed income securities do not trade on a daily basis, Interactive Data's evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, to prepare evaluations. SVC and/or IDC provide some, but not all, of the commercial paper (CP) pricing, while HSAM estimates other CP prices based on comparable market offers of similar issuers with comparable credit ratings and maturity dates. All pricing and market values are based on Level 2 inputs.

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

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

**4. Inventories and prepaid items**

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

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

**5. Capital Assets**

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

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

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

**5. Capital Assets (continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**7. Long-Term Obligations**

- In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.
- Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.
- In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**8. Transactions Between Funds**

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

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

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

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

**10. Pensions**

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

11. Other Post-Employment Accounting Policies

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

12. Fund Equity

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

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

**Nonspendable fund balance** - Amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

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

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

**Assigned fund balance** - Amounts the District intends or tentatively intends to use for a specific purpose. Assignment can be expressed by the District's Board of Trustees. For detail discussion on assigned fund balance as of June 30, 2020, see Note 12.

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

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

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

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

**12. Fund Equity (continued)**

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

**13. Use of Estimates**

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

**14. Data Control Codes**

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

**15. The following GASB pronouncements have been issued but not yet implemented by the District:**

*GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. It was issued in June 2020, but the requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. Implementation of this Statement is planned for fiscal year 2022.

*GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. This statement was issued in May 2020 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This statement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Implementation of this Statement is planned for fiscal year 2023.

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

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

**15. The following GASB pronouncements have been issued but not yet implemented by the District (continued):**

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in March 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements of this Statement are effective immediately.

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The District plans on implementing GASB No. 84 *Fiduciary Activities* in fiscal year 2021 and GASB No. 87 *Leases* in fiscal year 2022.

**Note 2 – Reconciliation of Government-wide and Fund Financial Statements**

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

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

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

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

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

**A. Budgetary Data**

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

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

**A. Budgetary Data (continued)**

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

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

1. Prior to June 19th, the District prepares a budget for the next succeeding fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. During the year, amendments are presented to the Board at its regular meetings. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. All supplemental appropriations must be within limits of available revenues and fund equity.
4. Each budget is controlled by a budget manager at the expenditure function/object level. All budget appropriations lapse at year-end.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities. Since under Texas law, appropriations lapse at the end of each fiscal year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. Outstanding encumbrances as of June 30, 2020, are \$5,898,016 for general fund, \$2,467,473 for special revenue funds, \$153,695,990 for capital projects funds, \$82,170 for enterprise fund and \$131,012 for fiduciary funds.

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

**A. Deposits (Cash)**

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

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

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

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

The District may place funds with the Depository in interest and non-interest bearing accounts. Statutes and the depository contract require that all funds in the depository institution be fully secured by federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond.

The collateral securities must be delivered to the District or placed with an independent trustee institution with safekeeping receipts delivered to the District. In accordance with State statutes pertaining to lawful collateralization of District deposits, safekeeping receipts are issued in the name of the Depository with proper indication that the collateral securities are pledged by the Depository to secure funds of the District.

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

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

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

At June 30, 2020, the carrying amount of the District's deposits including money market accounts was \$2,955,540 and the bank balance was \$13,645,526. The District deposits in Wells Fargo were secured by \$15,213,222 of pledged collateral and \$250,000 of FDIC coverage. In addition, certificates of deposit were secured by \$120,012,396 of pledge collateral and FDIC coverage at various other institutions.

**B. Investments**

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

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

**B. Investments (continued)**

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

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

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of the State of Texas, or its agencies and instrumentalities;
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States, or its agencies and instrumentalities;
4. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; and have a stated maturity no longer than ten years;
5. Certificates of deposit fully collateralized and guaranteed or insured by the FDIC;
6. Repurchase agreements fully collateralized (102%), pledged to and held in the District’s name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, with a defined termination date, and placed through a primary government securities dealer;
7. Commercial paper having a stated maturity of 270 days or fewer and a rating of not less than A-1/P-1 by two nationally recognized credit rating agencies; or a fully secured irrevocable letter of credit from a U.S. bank and one A-1/P-1 credit rating;
8. Money Market Mutual Funds approved by the Board, with its funds only in investments approved by the Investment Policy;
9. Public Funds Investment Pools approved by the Board, with its funds only in investments approved by the Investment Policy.

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

**B. Investments (continued)**

A summary of the District's cash and investments at June 30, 2020, are shown below.

	<u>Cash and Money Market</u>	<u>Certificates of Deposit</u>	<u>External Investment Pools</u>	<u>U.S. Government Securities</u>	<u>Commercial Paper</u>	<u>Total</u>
<b>Governmental Funds</b>						
General Fund	\$ 286,192	\$ 45,266,588	\$ 58,167,321	\$ 65,078,103	\$ 36,403,272	\$ 205,201,476
Special Revenue Fund	10,925,627	-	4,201,475	-	-	15,127,102
Debt Service Fund	165,405	10,123,321	25,808,112	-	-	36,096,838
Capital Projects Fund	2,108	39,099,934	58,046,753	197,163,010	36,992,317	331,304,122
<b>Total Governmental Funds</b>	<u>11,379,332</u>	<u>94,489,843</u>	<u>146,223,661</u>	<u>262,241,113</u>	<u>73,395,589</u>	<u>587,729,538</u>
Internal Service Fund	<u>2,919,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,919,103</u>
<b>Total Governmental Activities</b>	<u>14,298,435</u>	<u>94,489,843</u>	<u>146,223,661</u>	<u>262,241,113</u>	<u>73,395,589</u>	<u>590,648,641</u>
<b>Business-Type Funds</b>						
Enterprise Fund	<u>-</u>	<u>-</u>	<u>2,501,249</u>	<u>-</u>	<u>-</u>	<u>2,501,249</u>
<b>Fiduciary Funds</b>	<u>3,270,196</u>	<u>-</u>	<u>516,583</u>	<u>-</u>	<u>-</u>	<u>3,786,779</u>
<b>Total Cash and Investments</b>	<u>\$ 17,568,631</u>	<u>\$ 94,489,843</u>	<u>\$ 149,241,493</u>	<u>\$ 262,241,113</u>	<u>\$ 73,395,589</u>	<u>\$ 596,936,669</u>

For reporting purposes cash deposits and money market are considered by the District as cash equivalents.

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

The District generally holds all investments to maturity. The District did not purchase any derivative investment products during the fiscal year 2020 nor participate in any reverse repurchase agreements or security lending agreements during the fiscal year 2020.

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

**B. Investments (continued)**

The following table includes the portfolio balance, credit rating, and percentage of the portfolio balance by investment type and weighted average days to maturity of investments held by the District as of June 30, 2020:

<b>Investment Type</b>	<b>Fair Value</b>	<b>S&amp;P Credit Quality Ratings</b>	<b>Percentage of Investments</b>	<b>Weighted Average Maturity (Days)</b>
Certificates of Deposit	\$ 94,489,843	N/A	16.31%	331
Local Government Investment Pools: *				
TexPool	78,523,402	AAAm	13.55%	36
TexSTAR	70,718,091	AAAm	12.21%	33
<b>Total</b>	<u>149,241,493</u>			
Investments-Securities:				
Securities of U.S. Government Agencies:				
Federal Farm Credit Bank	5,005,622	AA+	0.86%	22
Federal Home Loan Bank	31,105,984	AA+	5.37%	66
Federal National Mortgage Association	8,071,560	AA+	1.39%	120
Federal Home Loan Mortgage Corp	14,997,309	AA+	2.59%	666
	<u>59,180,475</u>			
U.S. Treasury Notes	<u>203,060,638</u>	N/A	35.05%	185
Corporate Obligations Short-Term:				
J.P. Morgan Securities	46,989,351	A-1	8.11%	63
University of Texas	4,999,550	A-1	0.86%	167
Duke University	21,406,688	A-1	3.69%	9
	<u>73,395,589</u>			
<b>Total</b>	<u>335,636,702</u>			
<b>Total Investments</b>	<u>\$ 579,368,038</u>		<u>100.00%</u>	

\* Per GASB 79, valued at amortized cost.

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

**B. Investments (continued)**

Investments' fair value measurements are as follows at June 30, 2020:

<u>Investments</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of Deposit	\$ 94,489,843	\$ -	\$ 94,489,843	\$ -
Debt securities:				
U.S. Treasury Notes	203,060,638	-	203,060,638	-
U.S. Agency Securities	59,180,475	-	59,180,475	-
Corporate Obligations Short-Term	73,395,589	-	73,395,589	-
Total	<u>\$ 430,126,545</u>	<u>\$ -</u>	<u>\$ 430,126,545</u>	<u>\$ -</u>

**Local Government Investment Pools**

As of June 30, 2020, the District's investments included the Texas Local Government Investment Pool (TexPool), and the Texas Short Term Asset Reserve Program (TexSTAR). The TexPool, and TexSTAR investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk.

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

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

The value of District portions in TexPool and TexSTAR are the same as the value of the shares. The external pooled funds use amortized cost rather than fair value to report net position to compute share price. Accordingly, the fair value of the positions of the pooled funds is the same as the value of the external pool shares. The funds are structured similar to a money market mutual fund which allows shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1, although this cannot be fully guaranteed. TexPool and TexSTAR pooled funds each have a weighted average maturity of 36 and 33 days respectively. However, the District can redeem its share position within one day when necessary.

The District invests in various types of investment securities at June 30, 2020. These include U.S. Government Agencies, Treasury Notes, certificates of deposit and commercial paper in which the carrying value reflect the fair value of the investments. The District estimates the fair value of the investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

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

**B. Investments (continued)**

**Investment Risk**

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

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

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

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with the Investment Policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to no more than 365 days, with the exception of debt service and capital projects funds which are matched to a specific cash flow for liquidity. In addition, the District shall not directly invest in an individual security maturing more than three years from the date of purchase. All investments at year-end complied with the Investment Policy in regard to maximum maturity dates and weighted average maturity limitations.

**Adjustment to Investment's Fair Value**

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

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

**B. Investments (continued)**

**Adjustment to Investment's Fair Value (continued)**

The District recorded a \$1,750,230 increase in the fair value of investments for the year that is included in investment income.

	<u>Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Interest Income	\$ 8,618,775	\$ 41,313	\$ 3,105	\$ 8,663,193
Net Increase in Fair Value of Investments	1,750,230	-	-	1,750,230
<b>Total Investment Income</b>	<u>\$ 10,369,005</u>	<u>\$ 41,313</u>	<u>\$ 3,105</u>	<u>\$ 10,413,423</u>

**Note 5 - Property Taxes**

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

Property tax rates, established in accordance with state law, are levied on real and personal property within the District's boundaries for use in financing general government and debt service expenditures. Tax rates levied to finance general government and debt service expenditures for the fiscal year were \$1.0165 and \$0.3045, respectively, based on an assessed property valuation of approximately \$32.5 billion resulting in an adjusted tax levy of approximately \$428.8 million. Allowances for uncollectible taxes are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Governmental funds net property taxes receivable at June 30, 2020, consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
<b>Delinquent Taxes:</b>			
Current Year Levy	\$ 4,243,696	\$ 1,271,255	\$ 5,514,951
Prior Years' Levies	4,559,404	1,179,318	5,738,722
<b>Total Delinquent Taxes</b>	8,803,100	2,450,573	11,253,673
Penalty and Interest on Delinquent Taxes	4,126,497	905,470	5,031,967
<b>Total Delinquent Taxes and Penalty and Interest</b>	12,929,597	3,356,043	16,285,640
Less Allowance for Uncollectible Taxes	(4,655,982)	(1,016,335)	(5,672,317)
<b>Net Property Taxes Receivable</b>	<u>\$ 8,273,615</u>	<u>\$ 2,339,708</u>	<u>\$ 10,613,323</u>

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

Receivables due from other governments at June 30, 2020, consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>Due From Other Governments</b>				
Federal	\$ 129,512	\$ 4,781,683	\$ -	\$ 4,911,195
State	6,816,285	7,707	32,696	6,856,688
<b>Total Due from Other Governments</b>	<u>\$ 6,945,797</u>	<u>\$ 4,789,390</u>	<u>\$ 32,696</u>	<u>\$ 11,767,883</u>

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

Payables due to other governments at June 30, 2020, consisted of the following:

	<u>General Fund</u>	<u>Total</u>
<b>Due To Other Governments</b>		
State:		
Texas Education Agency	\$ 40,830,317	\$ 40,830,317
<b>Total Due To Other Governments</b>	<u>\$ 40,830,317</u>	<u>\$ 40,830,317</u>

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

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering, accounts payable and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more governmental funds. Amounts due to/from other funds at June 30, 2020, consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental Funds</b>		
General Fund	\$ 421,223	\$ 861,164
Special Revenue Fund	488,148	581,007
Debt Service Fund	151,488	-
Capital Projects Fund	1,209	61,285
<b>Total Governmental Funds</b>	<u>1,062,068</u>	<u>1,503,456</u>
<b>Proprietary Funds</b>		
Enterprise Fund	682,072	240,684
<b>Total Proprietary Funds</b>	<u>682,072</u>	<u>240,684</u>
 <b>Total - All Funds</b>	 <u>\$ 1,744,140</u>	 <u>\$ 1,744,140</u>

Interfund transfers are defined as “flow of assets without equivalent flows of assets in return and without a requirement for repayment”. Interfund transfers during the year ended June 30, 2020, were as follows:

	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Enterprise Fund</u>	
<b>Transfer Out</b>				
General Fund	\$ -	\$ -	\$ 420,286	\$ 420,286
Special Revenue Fund	749,605	-	-	749,605
Capital Projects Fund	-	1,343	-	1,343
Enterprise Fund	32,699	-	-	32,699
	<u>\$ 782,304</u>	<u>\$ 1,343</u>	<u>\$ 420,286</u>	<u>\$ 1,203,933</u>

The General Fund transfer to Enterprise fund was to cover deficit programs in FY 2020 related to COVID, Special Revenue Fund transfer to the General Fund was related to grant awards related to Hurricane Harvey for previous years' expenditures, Capital Projects Fund transfer to Debt Service Fund was to correct cost related to issuance and Enterprise Fund transfer to General Fund was related to closing programs.

**Note 9 - Capital Assets**

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

Capital asset activity for the governmental and business-type activities of the District for the year ended June 30, 2020, are as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2020</u>
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 23,797,029	\$ 3,040,338	\$ -	\$ 26,837,367
Construction in Progress	14,829,021	98,459,618	(3,674,948)	109,613,691
<b>Total Capital Assets, Not Being Depreciated</b>	<u>38,626,050</u>	<u>101,499,956</u>	<u>(3,674,948)</u>	<u>136,451,058</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	926,504,455	-	(5,990,370)	920,514,085
Furniture and Equipment	29,107,966	861,161	(13,877)	29,955,250
Vehicles	29,157,441	761,426	(234,911)	29,683,956
Capital Lease - Equipment	2,906,889	-	-	2,906,889
<b>Total Capital Assets, Being Depreciated at Historical Cost</b>	<u>987,676,751</u>	<u>1,622,587</u>	<u>(6,239,158)</u>	<u>983,060,180</u>
<b>Less: Accumulated Depreciation:</b>				
Buildings and Improvements	(282,177,688)	(23,706,147)	5,310,351	(300,573,484)
Furniture and Equipment	(24,931,427)	(1,699,101)	107,018	(26,523,510)
Vehicles	(14,640,196)	(2,055,908)	57,789	(16,638,315)
Capital Lease - Equipment	(2,906,889)	-	-	(2,906,889)
<b>Total Accumulated Depreciation</b>	<u>(324,656,200)</u>	<u>(27,461,156)</u>	<u>5,475,158</u>	<u>(346,642,198)</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 701,646,601</u>	<u>\$ 75,661,387</u>	<u>\$ (4,438,948)</u>	<u>\$ 772,869,040</u>
<b>Business-type Activities</b>				
<b>Capital Assets being depreciated:</b>				
Furniture and Equipment	\$ 118,905	\$ -	\$ -	\$ 118,905
Vehicles	293,565	-	(17,415)	276,150
<b>Total Capital Assets, being Depreciated at historical cost</b>	<u>412,470</u>	<u>-</u>	<u>(17,415)</u>	<u>395,055</u>
<b>Less: Accumulated Depreciation for:</b>				
Furniture and Equipment	(106,244)	(2,646)	-	(108,890)
Vehicles	(191,253)	(19,956)	12,336	(198,873)
<b>Total Accumulated Depreciation</b>	<u>(297,497)</u>	<u>(22,602)</u>	<u>12,336</u>	<u>(307,763)</u>
<b>Business-type Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 114,973</u>	<u>\$ (22,602)</u>	<u>\$ (5,079)</u>	<u>\$ 87,292</u>
<b>Totals</b>	<u>\$ 701,761,574</u>	<u>\$ 75,638,785</u>	<u>\$ (4,444,027)</u>	<u>\$ 772,956,332</u>

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

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

	<b>Balance</b>
	<b>June 30, 2020</b>
Vehicles	\$ 147,500
Furniture & Equipment	44,350
Accumulated Depreciation	(191,850)
	<u>\$ -</u>

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

	<b>Depreciation Expense</b>
<b>Governmental Activities Depreciation Expense:</b>	
11 Instruction	\$ 21,621,649
34 Student Transportation	1,334,988
35 Food Services	335,212
36 Cocurricular/Extracurricular activities	1,685,838
41 General Administration	95,180
51 Facilities Maintenance and Operations	692,738
52 Security and Monitoring Services	140,919
53 Data Processing Services	1,438,597
81 Facilities Acquisition and Construction	116,035
<b>Total Governmental Activities Depreciation Expense</b>	<u><u>\$ 27,461,156</u></u>
<b>Business-type Activities Depreciation Expense:</b>	
36 Cocurricular/Extracurricular activities	\$ 7,679
51 Plant Maintenance and Operations	11,060
61 Community Services	3,863
<b>Total Business-type Activities Depreciation Expense</b>	<u><u>\$ 22,602</u></u>

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

A summary of capital projects having construction in progress as of June 30, 2020, is scheduled as follows:

Description of Project	Construction in Progress at Cost	Approved Project Budget	Estimated Remaining Commitment
Memorial High	\$ 17,611,464	\$ 68,305,295	\$ 50,693,831
Northbrook High	2,191,832	33,102,669	30,910,837
Spring Woods High	21,164,508	34,447,000	13,282,492
Stratford High	3,097,627	47,725,419	44,627,792
Spring Branch Education Center	262,500	350,000	87,500
Landrum Middle	15,531,793	70,987,345	55,455,552
Memorial Middle	2,001	593,474	591,473
Northbrook Middle	-	1,250,000	1,250,000
Spring Forest Middle	1,878,628	6,018,234	4,139,606
Spring Oaks Middle	5,381,178	8,244,495	2,863,317
Bendwood	8,400	182,700	174,300
Buffalo Creek Elementary	7,550,562	10,965,406	3,414,844
Bunker Hill Elementary	389,156	2,739,934	2,350,778
Cedar Brook Elementary	11,963,901	18,045,702	6,081,801
Frostwood Elementary	259,828	259,828	-
Hunters Creek Elementary	7,405,301	31,949,995	24,544,694
Rummel Creek Elementary	77,684	183,396	105,712
Treasure Forest Elementary	7,873,998	11,044,773	3,170,775
Westwood Elementary	316,699	320,762	4,063
Bear Blvd	-	149,794	149,794
Lion Lane	-	150,000	150,000
Panda Path	-	45,369	45,369
Tiger Trail	579,313	766,183	186,870
Wildcat Way	568,858	766,183	197,325
Tax Office	-	15,729	15,729
District Wide Programs	3,735,451	8,120,604	4,385,153
Wayne Schaper, Sr. Admin Bldg	286,141	4,734,253	4,448,112
Transportation Facility	33,461	1,600,000	1,566,539
Gessner Warehouses	351,328	2,287,420	1,936,092
Athletic Complexes	393,212	2,335,222	1,942,010
East Transition Campus	114,666	2,271,893	2,157,227
South Transition Campus	324,490	1,365,621	1,041,131
West Support Center	61,739	956,427	894,688
T Buildings	197,972	197,972	-
	<u>\$ 109,613,691</u>	<u>\$ 372,479,097</u>	<u>\$ 262,865,406</u>

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

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

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

On March 11, 2020, the District established a defeasance escrow to defease all or a portion of the District’s outstanding bonds, Unlimited Tax Schoolhouse Bonds Series 2011 (the “Defeased Bonds”), for a total of \$41,375,000, prior to their scheduled maturities. The District deposited directly with a paying agent for the Defeased Bonds available funds of the District into an escrow fund in an amount of \$43,089,815, sufficient to provide the payment, redemption, or defeasance of all or a portion of the Defeased Bonds and such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Defeased Bonds.

In October 2019, the District issued \$230,880,000 of Unlimited Schoolhouse Bonds Series 2019. The bonds bear interest at a rate of 2.625 – 5.00%. The proceeds from the bonds will be used for (i) the construction, acquisition and equipment of school buildings in the District, including technology upgrades, (ii) the purchase of the necessary sites for school buildings, (iii) the purchase of school buses, and (iv) the payment of costs of issuance associated with the sale of the Bonds.

On October 2, 2009 and December 7, 2010, the District issued Unlimited Tax Schoolhouse Bonds, Taxable Series 2009 and 2010, also known as direct payment Build America Bonds (BABS) which provides for a direct reimbursement of up to 35 percent of the interest paid on the bonds. The District received reimbursements totaling \$2,654,990 during the fiscal year.

A summary of general long-term debt transactions of the District for the fiscal year ended June 30, 2020, follows:

	<b>Balance July 1, 2019</b>	<b>Issued and Additions</b>	<b>Retired and Refunded</b>	<b>Balance June 30, 2020</b>	<b>Due Within One Year</b>
<b>Bonds Payable</b>					
General Obligation Bonds	\$622,770,000	\$ 230,880,000	\$ (69,990,000)	\$ 783,660,000	\$ 27,595,000
Plus Premiums on					
Bonds at Issuance	52,238,810	25,808,396	(7,031,763)	71,015,443	-
<b>Total Bonds Payable</b>	<u>675,008,810</u>	<u>256,688,396</u>	<u>(77,021,763)</u>	<u>854,675,443</u>	<u>27,595,000</u>
Compensated Absences	10,346,569	1,317,287	(1,307,917)	10,355,939	1,173,019
Capital Lease	214,379	-	(214,379)	-	-
<b>Total Long-Term Debt</b>	<u><u>\$685,569,758</u></u>	<u><u>\$ 258,005,683</u></u>	<u><u>\$ (78,544,059)</u></u>	<u><u>\$ 865,031,382</u></u>	<u><u>\$ 28,768,019</u></u>

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

**Bonds Payable**

Bonded debt, at June 30, 2020, is comprised of the following individual issues:

<u>Series</u>	<u>Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Matures</u>	<u>Amount Outstanding</u>
2009B BABS	\$ 62,085,000	5.89	2039	\$ 62,085,000
2010B BABS	75,000,000	5.54 - 6.04	2039	75,000,000
2011 Schoolhouse Bonds	75,000,000	4.00 - 5.00	2032	29,915,000
2013 Schoolhouse Bonds	45,990,000	1.55 Variable	2041	32,295,000
2014A Schoolhouse Bonds	31,390,000	3.50 - 5.00	2042	28,485,000
2014B Refunding Bonds	63,520,000	3.00 - 5.00	2026	29,235,000
2015A Refunding Bonds	65,795,000	2.00 - 5.00	2025	32,805,000
2015B Refunding Bonds	153,550,000	4.00 - 5.00	2038	138,015,000
2018 Schoolhouse Bonds	132,345,000	3.50 - 5.00	2043	124,945,000
2019 Schoolhouse Bonds	230,880,000	2.625 - 5.00	2043	230,880,000
	Total Bonds Payable			783,660,000
	Plus Unamortized Premiums on Issuance			71,015,443
	Total Bonds Payable			854,675,443
	Less Current Portion			27,595,000
	<b>Long-Term Portion Bonds Payable</b>			<b>\$ 827,080,443</b>

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

**Annual Debt Service Requirements**

Annual requirements to amortize all bonded debt outstanding as of June 30, 2020, follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 27,595,000	\$ 34,931,528	\$ 62,526,528
2022	38,905,000	34,531,486	73,436,486
2023	30,690,000	32,648,968	63,338,968
2024	31,025,000	31,159,372	62,184,372
2025	28,710,000	29,636,859	58,346,859
2026	30,435,000	28,231,506	58,666,506
2027	28,265,000	26,718,853	54,983,853
2028	29,610,000	25,315,469	54,925,469
2029	31,005,000	23,862,226	54,867,226
2030	32,420,000	22,340,647	54,760,647
2031	39,815,000	20,796,465	60,611,465
2032	39,645,000	18,727,385	58,372,385
2033	39,500,000	16,947,349	56,447,349
2034	40,915,000	15,268,605	56,183,605
2035	42,465,000	13,497,693	55,962,693
2036	44,150,000	11,545,499	55,695,499
2037	45,820,000	9,516,016	55,336,016
2038	47,515,000	7,513,077	55,028,077
2039	38,355,000	5,416,700	43,771,700
2040	24,500,000	3,676,079	28,176,079
2041	25,460,000	2,761,746	28,221,746
2042	24,000,000	1,770,200	25,770,200
2043	22,860,000	852,302	23,712,302
Total	<u>\$ 783,660,000</u>	<u>\$ 417,666,030</u>	<u>\$ 1,201,326,030</u>

The District is in compliance with all significant bond compliance requirements. As of June 30, 2020, the District had \$497.4 million authorized, but unissued bonds.

**Prior Year Defeasance of Debt**

In prior years, the District defeased certain outstanding bonds by placing funds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future debt service payments are not included in the District's financial statements. As of June 30, 2020, the amount of defeased debt held in escrow was \$41.375 million.

**Capital Lease Obligations**

In November 2004, the District entered into a lease purchase of Utility Conservation and HVAC systems equipment for various buildings in the District totaling \$2,906,889. The accumulated depreciation on the capital assets as of June 30, 2020, was \$2,906,889, leaving a net book value of \$0. During the fiscal year the District paid off the remaining capital lease amount leaving a \$-0- outstanding balance at year-end.

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

*Deferred Outflows of Resources*

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred loss on refunding as of June 30, 2020 was \$7,547,180. Detailed discussions on deferred outflows for pension and OPEB are presented in Note 15 - Defined Benefit Pension Plan and Note 16 – Defined Other Post-Employment Benefit Plan.

*Deferred Inflows of Resources*

Detailed discussions on deferred inflows for pension and OPEB are presented in Note 15 - Defined Benefit Pension Plan and Note 16 – Defined Other Post-Employment Benefit Plan, which both only affect the government-wide financial statements. Property taxes that have not been collected within 60 days of year-end are considered unavailable in the fund financial statements.

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

	<u>Unavailable</u>	<u>Unearned</u>
<b>Deferred Inflows of Resources</b>		
General Fund - Property Taxes	\$ 7,386,146	\$ -
Debt Service Fund - Property Taxes	1,929,815	-
<b>Unearned Revenue</b>		
Unearned Revenue on Grants	-	59,287
General Fund - Unearned Revenue	-	460,725
Enterprise Fund - Unearned Revenue	-	17,892
<b>Total Deferred Inflows of Resources and Unearned Revenue</b>	<u>\$ 9,315,961</u>	<u>\$ 537,904</u>

**Note 12 - Fund Equity**

**Fund Balance Classifications – Restricted, Committed and Assigned**

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

A summary of restricted, committed and assigned fund balance as of June 30, 2020, for all governmental fund types follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Restricted Fund Balance</b>				
Grant funds	\$ -	\$ 3,998,726	\$ -	\$ -
Debt service	-	-	36,732,847	-
Capital acquisitions and obligations	-	-	-	299,578,819
Other:				
Instructional material allotment	-	1,661,845	-	-
Local technology	-	7,509,619	-	-
Donations - locally funded	-	2,071,147	-	-
Total Other	-	11,242,611	-	-
<b>Total Restricted</b>	<u>-</u>	<u>15,241,337</u>	<u>36,732,847</u>	<u>299,578,819</u>
<b>Committed Fund Balance</b>				
Other:				
Campus Activity	-	1,624,180	-	-
<b>Total Committed</b>	<u>-</u>	<u>1,624,180</u>	<u>-</u>	<u>-</u>
<b>Assigned Fund Balance</b>				
Capital equipment replacement	<u>1,469,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other:				
Compensated absences	10,209,000	-	-	-
Natural disaster	9,242,000	-	-	-
Pandemic response	16,500,000	-	-	-
Subsequent year expenditures	9,755,382	-	-	-
Total Other	<u>45,706,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assigned</b>	<u>47,176,381</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Totals</b>	<u>\$ 47,176,381</u>	<u>\$ 16,865,517</u>	<u>\$ 36,732,847</u>	<u>\$ 299,578,819</u>

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

A summary of local revenues recorded in the governmental funds for the fiscal year ended June 30, 2020, follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Property Taxes	\$ 319,412,545	\$ -	\$ 101,964,475	\$ -	\$ 421,377,020
Penalties, Interest and Other Related Tax Income	2,464,720	-	498,622	-	2,963,342
Tuition and Fees	1,785,491	-	-	-	1,785,491
Investment Income	3,093,701	66,081	757,285	6,451,938	10,369,005
Food Sales	-	1,647,986	-	-	1,647,986
Cocurricular Activities	387,840	-	-	-	387,840
Insurance Recovery	128,687	-	-	-	128,687
Other	615,297	5,887,849	-	43,923	6,547,069
<b>Total</b>	<u>\$ 327,888,281</u>	<u>\$ 7,601,916</u>	<u>\$ 103,220,382</u>	<u>\$ 6,495,861</u>	<u>\$ 445,206,440</u>

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

A summary of federal program revenues received in the General Fund for the fiscal year ended June 30, 2020, follows:

<u>Program or Grant</u>	<u>CFDA Number</u>	<u>Amount Recorded in General Fund</u>
<b>Indirect Costs:</b>		
ESEA, Title X, Part C Education for the Homeless	84.196A	\$ 1,438
ESEA, Title I, Part A - Improving Basic Programs	84.010A	502,420
IDEA, Part B - Formula	84.027A	159,700
ESEA, Title II, Part A - Supporting Effective Instrucion	84.367A	48,889
Restart Hurricane Recovery	84.938A	32,124
Texas Hurricane Homeless Youth	84.938B	2,141
<b>Total Indirect Costs</b>		<u>746,712</u>
<b>Direct Costs:</b>		
Medicaid Program	93.778	201,716
SHARS Program	n/a	5,041,200
Build America Bonds Subsidized Interest	n/a	2,654,990
ROTC	12.000	77,057
<b>Total Direct Costs</b>		<u>7,974,963</u>
<b>Total Indirect and Direct Costs</b>		<u>\$ 8,721,675</u>

**Note 15 - Defined Benefit Pension Plan**

**Plan Description**

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

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

**Pension Plan Fiduciary Net Position**

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

**Benefits Provided**

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

In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th 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.

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

**Contributions**

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. The 86<sup>th</sup> Texas Legislature, May 2019, established the rates for 2020 and 2021.

	<b>Contribution Rates</b>	
	<b>Plan Fiscal Year</b>	
	<b>2019</b>	<b>2020</b>
Member (Employee)	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%

	Measurement Year (2019)		Fiscal Year (2020)
	Contributions Required and Made	Pension Expense	TRS Contributions
	Employer (District) contributions	\$ 7,534,292	\$ 22,725,478
Members (Employee) contributions	17,870,128	-	19,031,152
Non-employer (State) On-behalf contributions	10,664,040	24,880,366	12,794,321

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. The District is 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.

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

**Contributions (continued)**

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

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

**Actuarial Assumptions**

The total pension liability in the August 31, 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% *
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

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

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. The actuarial methods and assumption were primarily based on a study of actual experience for the three-year ending August 31, 2018 and were adopted in July 2018.

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

**Discount Rate**

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity will be made at the rate set by the legislature during the 2019 legislative session. It is assumed that future employer and state contribution will be 8.50 percent of payroll in the fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contribution for all active and rehired retirees. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Target Allocation 1	New Target Allocation 2	Long-Term Expected Geometric Real Rate of Return 3
<b>Global Equity</b>			
USA	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
<b>Stable Value</b>			
U.S. Treasuries	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Cash	1.00%	2.00%	2.50%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.00%	0.00%	0.00%
Real Assets	14.00%	15.00%	8.50%
Energy and Natural Resources	5.00%	6.00%	7.30%
<b>Risk Parity</b>			
Risk Parity	5.00%	8.00%	5.80/6.5% *
Asset Allocation Leverage	0.00%	-6.00%	2.70%
<b>Total</b>	100.00%	100.00%	
Expected Return			7.23%

1 FY 2019 Target Allocation based on the Strategic dated 10/1/2018

2 New Target Allocation based on the Strategic Allocation dated 10/1/2019

3 10-Year annualized geometric nominal returns include the real rate and inflations of 2.1%

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

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

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
District's proportional share of the net pension liability	\$ 172,003,291	\$ 111,897,876	\$ 63,200,889

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

At June 30, 2020, the District reported a liability of \$111,897,876 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.21525%
District's proportionate share of the collective net pension liability	\$ 111,897,876
State's proportionate share that is associated with District	<u>158,387,000</u>
Total	<u><u>\$ 270,284,876</u></u>

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

At August 31, 2019, the District's proportion of the collective net pension liability was 0.21525% which was an increase of 0.00576% from its proportion measured as of August 31, 2018.

**Change Since the Prior Actuarial Valuation**

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

- The single discount as of August 31, 2018 was a single blended rate 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 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 \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

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

**Change Since the Prior Actuarial Valuation (continued)**

For the year ended June 30, 2020, the District recognized pension expense of \$22,725,478 and an additional on-behalf revenue and expense of \$24,880,366, which represents 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>
Differences between expected and actual experience	\$ 470,071	\$ (3,885,272)
Changes of assumptions	34,716,217	(14,346,383)
Difference between projected and actual earnings on pension plan investments	1,123,584	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,968,910	(2,189,317)
District contributions subsequent to the measurement date	7,191,866	-
Total	<u>\$ 52,470,648</u>	<u>\$ (20,420,972)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$7,191,866 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30</b>	<b>Pension Expense Amount</b>
2021	\$ 6,229,425
2022	4,924,167
2023	6,122,633
2024	6,026,098
2025	2,461,773
2026	(906,286)
	<u>\$ 24,857,810</u>

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

**A. Plan Description**

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

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

**B. OPEB Plan Fiduciary Net Position**

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

**C. Benefits Provided**

TRS-Care provides a basic health insurance coverage at no cost to all retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system. Eligible non- Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. Eligible Medicare retirees and their dependents may pay premiums to participate in the Medicare Advantage health plans. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. For more information on TRS-Care eligibility and detailed information on TRS-Care, please refer to the Benefits section.

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86th legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures.

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

<b>TRS-Care Monthly Premium Rates</b>				
Effective Sept. 1, 2019 - Dec. 31, 2019				
	<b>Medicare</b>		<b>Non-Medicare</b>	
Retiree or Surviving Spouse	\$	135	\$	200
Retiree and Spouse		529		689
Retiree or Surviving Spouse and Children		468		408
Surviving Children only		1,020		999

**D. Contributions**

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

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

**D. Contributions (continued)**

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

	Contribution Rates	
	2020	2019
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

	Measurement Year (2019)		Fiscal Year (2020)
	Contributions Required and Made	OPEB Expense	TRS Care Contributions
Member (Employee)	\$ 1,508,519	\$ -	\$ 1,606,525
Non-employer contributing agency (State)	2,604,845	4,574,856	4,602,059
District	1,960,452	4,546,989	2,084,951

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree. A supplemental appropriation was received in 2019 for \$73.6 million, which was re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

\$230,756,971 was transferred to TRS to pay for TRS-Care during the 86th Legislative Session, House Bill 1. GASB Statement No. 85 requires that an on-behalf payment is recorded for the districts proportionate share. The proportionate share was determined using the GASB Statement No. 75 TRS-Care proportionate share allocation. For the year ended June 30, 2020, the District recorded an expenditure for their proportionate share of the funds along with the corresponding revenue of \$637,415.

**E. Actuarial Assumptions**

The total OPEB liability as of the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in this OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

**E. Actuarial Assumptions (continued)**

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

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 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	
Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost method	Individual Entry Age Normal
Inflation	2.30%
Discount rate *	2.63% as of August 31, 2019
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses to the delivery of health care benefits are included in the age adjusted claims costs.
Payroll growth rate	2.50%
Salary increases	3.05% to 9.05%, including inflation 4.50% to 10.25%, Normal Retirement 70% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Healthcare Trend Rates	
Ad hoc post-employment benefit changes	None

\* Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2019.

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

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

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

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

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

*Discount Rate* - The following schedule shows the impact of the Net OPEB Liability if the discount rate used was one-percentage point lower or one-percentage point higher than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

1% Decrease in Discount Rate (1.63%)	Current Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
\$ 157,714,088	\$ 130,631,462	\$ 109,444,695

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 106,564,562	\$ 130,631,462	\$ 162,870,051

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

At June 30, 2020, the District reported a liability of \$130,631,462 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 130,631,462
State's proportionate share that is associated with District	173,579,991
Total	<u><u>\$ 304,211,453</u></u>

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

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

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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the District's proportion of the collective Net OPEB Liability was 0.27623% which was an increase of 0.00355% from its proportion measured as of August 31, 2018.

**Changes Since the Prior Actuarial Valuation**

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

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$4,546,989 and an additional on-behalf expense and revenue of \$4,574,856 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 other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 6,408,583	\$ (21,376,453)
Changes in actuarial assumptions	7,255,559	(35,136,657)
Difference between projected and actual investment earnings	14,093	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	7,281,332	-
Contributions paid to TRS subsequent to the measurement date	<u>1,790,709</u>	<u>-</u>
Total	<u>\$ 22,750,276</u>	<u>\$ (56,513,110)</u>

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

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

The \$1,790,790 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB Expense Amount
2021	\$ (6,205,851)
2022	(6,205,851)
2023	(6,210,413)
2024	(6,213,022)
2025	(6,212,307)
Thereafter	(4,506,099)
	<u>\$ (35,553,543)</u>

**I. Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2020, 2019 and 2018, the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2020	\$ 1,069,300
2019	720,142
2018	866,484

The information for the year ended June 30, 2020 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

**Note 17 - Risk Management**

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

**Note 17 - Risk Management (continued)**

***Health Care Coverage***

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

***Letter of Credit***

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

**Workers' Compensation Aggregate Deductible**

During the year ended June 30, 2020, Spring Branch ISD met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

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

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2019, the Fund carries a discounted reserve of \$45,439,534 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended June 30, 2020, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles,

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2019, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

**Note 18 - Compensated Absences**

***Sick Leave Policy***

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

The District records the payments for sick leave as an expenditure in the General Fund. The District records a liability at year-end in the General Fund for payments to be made to employees who have given notice before the end of the fiscal year and the amounts will be paid out of current resources early in the following fiscal year. As of June 30, 2020, the General Fund did not report a liability.

The District estimates the long-term portion of the sick leave liability and records this amount in the government-wide financials as a long-term liability. The long-term liability for compensated absences was \$10,355,939 as of June 30, 2020. The management of the District has assigned a portion of the fund balance in the General Fund to pay for accrued sick leave liability.

**Note 19 - Shared Service Arrangements**

The District participates in a Shared Service Arrangement (SSA) for deaf education services with eight other school districts. Approximately 19% of the students served by the SSA are attributable to the District. The District does not account for the revenues or expenditures for this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal contingencies that would give rise to a future additional benefit or burden to Spring Branch Independent School District. The fiscal agent manager is responsible for all financial activities of the SSA. The expenditures attributable to the District's participation for the year ended June 30, 2020 totaled \$505,942.

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

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

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

**Note 21 - Arbitrage**

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of the amount earned on investments purchased with bond proceeds, over the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that there is no arbitrage liability as of June 30, 2020.

**Note 22 - Subsequent Events**

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the COVID-19 outbreak, which disaster declaration he has subsequently extended. In addition, certain local officials, including the County Judge of Harris County, also declared a local state of disaster.

The TEA will institute the ADA hold harmless for the first three six-week attendance reporting periods as follows: if an LEA's Refined ADA counts during those first three six-week reporting periods are less than the ADA hold harmless projections (described in the paragraph below), the first three six-week attendance reporting periods for 2020–2021 will be excluded from the calculation of ADA and student FTEs for FSP funding purposes and will be replaced with the ADA hold harmless projections. For purposes of the hold harmless calculation, TEA will not consider each six weeks attendance period independent of each other. TEA will replace attendance numbers for each eligible LEA's 2020-2021 first three six-week attendance periods with projected ADA and student FTE numbers calculating using a three-year average trend of final numbers from the 2017-2018 through the 2019-2020 school years, unless this projection is both 15% higher and 100 ADA higher than the 2020-2021 LPE projections. In the latter case, 2020-2021 LPE counts will be used.

The full extent of the ongoing impact of COVID-19 on the District's 2020-21 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies related to COVID-19, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.

The District is scheduled to take proceeds of \$169,000,000 on November 18, 2020 from issuance of Unlimited Tax Schoolhouse Bonds Series 2020. Proceeds will be used for the construction, acquisition, and equipment of school buildings.



## **REQUIRED SUPPLEMENTARY INFORMATION**



**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS) AND ACTUAL – GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2020**  
**With Actual Totals for 2019**

*Exhibit G-1*

Data Control Codes	Budgeted Amounts		Actual Amounts GAAP Basis	Variance With	2019 Actual	
	Original	Final Amended		Final Budget Positive (Negative)		
<b>Revenues</b>						
5700	Local and Intermediate Sources	\$ 329,791,413	\$ 327,464,829	\$ 327,888,281	\$ 423,452	\$ 340,621,304
5800	State Program Revenues	29,790,653	29,831,831	41,400,557	11,568,726	83,069,772
5900	Federal Program Revenues	7,846,000	8,450,000	8,721,675	271,675	11,889,686
5020	<b>Total Revenues</b>	<u>367,428,066</u>	<u>365,746,660</u>	<u>378,010,513</u>	<u>12,263,853</u>	<u>435,580,762</u>
<b>Expenditures</b>						
<b>Current:</b>						
11	Instruction	204,544,291	202,219,836	200,208,540	2,011,296	180,136,844
12	Instructional Resources and Media Services	3,725,391	3,673,319	3,474,695	198,624	3,331,957
13	Curriculum and Instructional Staff Development	8,851,613	7,545,885	7,005,388	540,497	5,660,366
21	Instructional Leadership	6,778,838	6,034,163	5,775,249	258,914	5,829,634
23	School Leadership	21,903,993	21,649,977	21,184,611	465,366	19,882,670
31	Guidance, Counseling and Evaluation Services	14,957,630	15,160,629	14,512,899	647,730	13,060,668
32	Social Work Services	121,261	156,661	130,169	26,492	108,304
33	Health Services	4,288,812	4,351,389	4,164,441	186,948	3,787,083
34	Student Transportation	9,289,201	9,596,939	8,417,919	1,179,020	9,087,592
35	Food Services	60,000	190,000	34,854	155,146	26,306
36	Cocurricular/Extracurricular Activities	6,236,363	6,754,273	6,018,821	735,452	6,051,450
41	General Administration	10,785,276	10,165,021	9,317,329	847,692	12,425,527
51	Facilities Maintenance and Operations	32,763,576	34,207,533	30,874,395	3,333,138	29,557,215
52	Security and Monitoring Services	5,076,452	6,079,268	5,269,016	810,252	4,662,902
53	Data Processing Services	7,605,605	8,787,750	7,718,230	1,069,520	7,318,960
61	Community Services	1,395,509	1,342,695	1,038,161	304,534	1,210,042
71	Debt Service	216,526	216,526	216,525	1	288,700
81	Capital outlay	90,000	3,409,462	3,242,023	167,439	62,071
91	Contracted Instructional Services	35,346,255	39,442,568	39,442,568	-	84,582,729
99	Other Intergovernmental Charges	3,293,365	3,160,915	3,160,915	-	3,195,108
6030	<b>Total Expenditures</b>	<u>377,329,957</u>	<u>384,144,809</u>	<u>371,206,748</u>	<u>12,938,061</u>	<u>390,266,128</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,901,891)</u>	<u>(18,398,149)</u>	<u>6,803,765</u>	<u>25,201,914</u>	<u>45,314,634</u>
<b>Other Financing Sources (Uses)</b>						
7912	Sale of Real and Personal Property	50,000	-	37,251	37,251	161,592
7915	Transfers in	-	786,856	782,304	(4,552)	1,355,319
8911	Transfers out	-	-	(420,286)	(420,286)	(39,609)
7080	<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>786,856</u>	<u>399,269</u>	<u>(387,587)</u>	<u>1,477,302</u>
1200	Net Change in Fund Balance	(9,851,891)	(17,611,293)	7,203,034	24,814,327	46,791,936
0100	<b>Fund Balance - Beginning</b>	<u>129,889,226</u>	<u>129,889,226</u>	<u>129,889,226</u>	<u>-</u>	<u>83,097,290</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 120,037,335</u>	<u>\$ 112,277,933</u>	<u>\$ 137,092,260</u>	<u>\$ 24,814,327</u>	<u>\$ 129,889,226</u>

**Budgets and Budgetary Accounting**

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

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

Management may amend the budget without seeking Board approval if appropriations are not transferred between functions. During fiscal year 2020, General Fund budgeted appropriations were increased by \$6.8 million.

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

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

Special Revenue Fund Total Revenue	\$52,565,558
Food Service Program Revenue	<u>(14,948,321)</u>
Other local, state and federal revenue	<u>\$37,617,237</u>
Special Revenue Fund Total Expenditures	\$50,680,057
Food Service Program Expenditures	<u>(15,651,784)</u>
Other local, state and federal Expenditures	<u>\$35,028,273</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**

*Exhibit G-3*

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

*Teacher Retirement System of Texas*

*For the Last Six Measurement Years Ended August 31 (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.2152580%	0.2094941%	0.2013303%	0.2124879%	0.2214700%	0.1516979%
District's proportionate share of the net pension liability	\$ 111,897,876	\$ 115,310,682	\$ 64,374,610	\$ 80,295,999	\$ 78,286,839	\$ 40,520,606
State's proportionate share of the net pension liability associated with the District	<u>158,387,000</u>	<u>174,521,390</u>	<u>105,022,736</u>	<u>130,039,152</u>	<u>124,975,866</u>	<u>108,711,946</u>
Total	<u>\$ 270,284,876</u>	<u>\$ 289,832,072</u>	<u>\$ 169,397,346</u>	<u>\$ 210,335,151</u>	<u>\$ 203,262,705</u>	<u>\$ 149,232,552</u>
District's covered payroll (for Measurement Year)	\$ 232,079,599	\$ 224,739,409	\$ 216,179,463	\$ 218,955,935	\$ 211,547,412	\$ 205,458,627
District's proportionate share of the net pension liability as a percentage of it's covered payroll	48.22%	51.31%	29.80%	36.70%	37.00%	19.70%
Plan fiduciary net position as a percentage of the total pension liability *	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	114.93%	126.11%	75.93%	92.75%	91.94%	72.89%

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

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

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

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

### **Changes of Assumptions**

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

- The single discount as of August 31, 2018 was a single blended rate 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 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 \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

### **Changes in Benefit Terms**

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

### **Other Information**

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

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

*Exhibit G-5*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 8,431,324	\$ 7,451,017	\$ 7,018,331	\$ 6,632,615	\$ 6,730,805
Contributions in relation to the contractual required contributions	<u>8,431,324</u>	<u>7,451,017</u>	<u>7,018,331</u>	<u>6,632,615</u>	<u>6,730,805</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered payroll	\$ 247,157,828	\$ 230,577,415	\$ 223,647,790	\$ 216,419,381	\$ 218,152,461
Contributions as a percentage of covered payroll	3.41%	3.23%	3.14%	3.06%	3.09%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 6,034,880	\$ 3,683,688	\$ 3,136,061	\$ 2,881,642	\$ 3,484,401
Contributions in relation to the contractual required contributions	<u>6,034,880</u>	<u>3,683,688</u>	<u>3,136,061</u>	<u>2,881,642</u>	<u>3,484,401</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered payroll	\$ 210,359,614	\$ 203,842,425	\$ 196,703,893	\$ 199,440,793	\$ 209,668,678
Contributions as a percentage of covered employee payroll	2.87%	1.81%	1.59%	1.44%	1.66%

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

*Exhibit G-6*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.2762276%	0.2728760%	0.2615663%
District's proportionate share of the OPEB liability	\$ 130,631,462	\$ 136,249,530	\$ 113,745,362
State's proportionate share of the net OPEB liability associated with the District	<u>173,579,991</u>	<u>190,879,970</u>	<u>167,667,465</u>
Total	<u>\$ 304,211,453</u>	<u>\$ 327,129,500</u>	<u>\$ 281,412,827</u>
District's covered payroll (for Measurement Year)	\$ 232,079,599	\$ 224,739,409	\$ 216,179,463
District's proportionate share of the OPEB liability as a percentage of it's covered payroll	56.30%	60.60%	52.62%
Plan fiduciary net position as a percentage of the total OPEB liability *	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	135.21%	146.64%	132.55%

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

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

Note (1): Ten years of data should be presented in this schedule, but data was unavailable prior to plan year 2017. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

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

*Exhibit G-7*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 2,084,951	\$ 1,983,973	\$ 1,802,591	\$ 1,360,173
Contributions in relation to the contractual required contributions	<u>2,084,951</u>	<u>1,983,973</u>	<u>1,802,591</u>	<u>1,360,173</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 247,157,828	\$ 230,577,415	\$ 223,647,790	\$ 216,419,381
Contributions as a percentage of covered payroll	0.84%	0.86%	0.81%	0.63%

**Notes to Required Supplementary Information - OPEB**

**Changes of Assumptions**

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

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

**Changes in Benefit Terms**

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

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

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



## **OTHER SUPPLEMENTARY INFORMATION**

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2020**  
**With Actual Totals for 2019**

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

<u>Control Codes</u>		<u>Budgeted Amounts</u>		<u>Actual</u>
		<u>Original</u>	<u>Final Amended</u>	<u>Amounts GAAP Basis</u>
	<b>Revenues</b>			
5700	Local, Intermediate and Out-of-State	\$ 104,297,000	\$ 103,027,748	\$ 103,220,382
5800	State Program Revenues	-	489,936	522,632
5020	<b>Total Revenues</b>	<u>104,297,000</u>	<u>103,517,684</u>	<u>103,743,014</u>
	<b>Expenditures</b>			
	<b>Debt Service:</b>			
0071	Principal on Long-Term Debt	104,218,052	103,942,399	69,990,000
0072	Interest on Long-Term Debt	-	-	33,599,399
0073	Bond issuance costs and fees	-	-	20,835
6030	<b>Total Expenditures</b>	<u>104,218,052</u>	<u>103,942,399</u>	<u>103,610,234</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>78,948</u>	<u>(424,715)</u>	<u>132,780</u>
	<b>Other Financing Sources (Uses)</b>			
7911	Refunding bonds issued	-	-	-
7915	Transfers in	-	-	1,343
8940	Payment to Refunded Bond	-	-	-
7080	<b>Total Other Financing Sources and (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,343</u>
1200	Net Change in Fund Balance	78,948	(424,715)	134,123
0100	<b>Fund Balance - Beginning</b>	<u>36,598,724</u>	<u>36,598,724</u>	<u>36,598,724</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 36,677,672</u>	<u>\$ 36,174,009</u>	<u>\$ 36,732,847</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2020**  
**With Actual Totals for 2019**

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

<u>Control Codes</u>		<u>Final Budget Positive (Negative)</u>	<u>2019 Actual</u>
	<b>Revenues</b>		
5700	Local, Intermediate and Out-of-State	\$ 192,634	\$ 92,235,927
5800	State Program Revenues	32,696	581,159
5020	<b>Total Revenues</b>	<u>225,330</u>	<u>92,817,086</u>
	<b>Expenditures</b>		
	<b>Debt Service:</b>		
0071	Principal on Long-Term Debt	33,952,399	61,615,000
0072	Interest on Long-Term Debt	(33,599,399)	31,457,429
0073	Bond issuance costs and fees	(20,835)	122,881
6030	<b>Total Expenditures</b>	<u>332,165</u>	<u>93,195,310</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>557,495</u>	<u>(378,224)</u>
	<b>Other Financing Sources (Uses)</b>		
7911	Refunding bonds issued	-	32,295,000
7915	Transfers in	1,343	-
8940	Payment to Refunded Bond	-	(32,295,000)
7080	<b>Total Other Financing Sources and (Uses)</b>	<u>1,343</u>	<u>-</u>
1200	Net Change in Fund Balance	558,838	(378,224)
0100	<b>Fund Balance - Beginning</b>	-	36,976,948
3000	<b>Fund Balance - Ending</b>	<u>\$ 558,838</u>	<u>\$ 36,598,724</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROGRAM BALANCES -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - FOOD SERVICE PROGRAM**  
For the Fiscal Year Ended June 30, 2020  
With Actual Totals for 2019

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

<u>Data Control Codes</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final Amended</u>	<u>Amounts GAAP Basis</u>	
<b>Revenues</b>				
5700	Local, Intermediate and Out-of-State	\$ 2,142,500	\$ 1,695,428	\$ 1,724,874
5800	State Program Revenues	100,000	100,000	92,279
5900	Federal Program Revenues	16,430,000	13,104,071	13,131,168
5020	<b>Total Revenues</b>	<u>18,672,500</u>	<u>14,899,499</u>	<u>14,948,321</u>
<b>Expenditures</b>				
0035	Food Services	18,186,900	16,732,126	14,986,435
0051	Facilities Maintenance and Operations	822,000	679,774	643,831
0052	Security and Monitoring Services	30,500	30,500	21,518
6030	<b>Total Expenditures</b>	<u>19,039,400</u>	<u>17,442,400</u>	<u>15,651,784</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>(366,900)</u>	<u>(2,542,901)</u>	<u>(703,463)</u>
<b>Other Financing Sources (Uses)</b>				
7912	Sale of Real and Personal Property	-	-	3,308
7910	Other Financing Sources - Transfers in	10,000	5,000	-
7080	<b>Total Other Financing Sources (Uses)</b>	<u>10,000</u>	<u>5,000</u>	<u>3,308</u>
1200	Net Change in Fund Balance	(356,900)	(2,537,901)	(700,155)
0100	<b>Fund Balance - Beginning</b>	<u>4,698,881</u>	<u>4,698,881</u>	<u>4,698,881</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 4,341,981</u>	<u>\$ 2,160,980</u>	<u>\$ 3,998,726</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROGRAM BALANCES -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - FOOD SERVICE PROGRAM**  
*For the Fiscal Year Ended June 30, 2020*  
*With Actual Totals for 2019*

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

<u>Data</u>	<b>Variance With</b>		
<u>Control</u>	<b>Final Budget</b>	<b>2019</b>	
<u>Codes</u>	<b>Positive</b>	<b>Actual</b>	
	<b>(Negative)</b>		
<b>Revenues</b>			
5700	Local, Intermediate and Out-of-State	\$ 29,446	\$ 2,222,007
5800	State Program Revenues	(7,721)	95,280
5900	Federal Program Revenues	27,097	16,088,930
5020	<b>Total Revenues</b>	<u>48,822</u>	<u>18,406,217</u>
<b>Expenditures</b>			
0035	Food Services	1,745,691	16,790,851
0051	Facilities Maintenance and Operations	35,943	851,751
0052	Security and Monitoring Services	8,982	30,813
6030	<b>Total Expenditures</b>	<u>1,790,616</u>	<u>17,673,415</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>1,839,438</u>	<u>732,802</u>
<b>Other Financing Sources (Uses)</b>			
7912	Sale of Real and Personal Property	3,308	11,651
7910	Other Financing Sources - Transfers in	(5,000)	49,470
7080	<b>Total Other Financing Sources (Uses)</b>	<u>(1,692)</u>	<u>61,121</u>
1200	Net Change in Fund Balance	1,837,746	793,923
0100	<b>Fund Balance - Beginning</b>	-	<u>3,904,958</u>
3000	<b>Fund Balance - Ending</b>	<u>\$ 1,837,746</u>	<u>\$ 4,698,881</u>



## **FIDUCIARY FUNDS**

### ***Agency Fund***

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

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

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

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

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

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended June 30, 2020**

*Exhibit H-3*

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2020</b>
<b>Student Activities</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,508,011	\$ 2,594,442	\$ 2,312,392	\$ 2,790,061
Investments	287,552	4,024	-	291,576
Other Receivables	854	128,651	123,925	5,580
Prepaid items	1,690	-	1,690	-
<b>Total Assets</b>	<b>\$ 2,798,107</b>	<b>\$ 2,727,117</b>	<b>\$ 2,438,007</b>	<b>\$ 3,087,217</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 62,991	\$ 2,475,263	\$ 2,441,228	\$ 97,026
Accrued Wages Payable	2,555	-	2,555	-
Due to Student Groups	2,732,561	418,925	161,295	2,990,191
<b>Total Liabilities</b>	<b>\$ 2,798,107</b>	<b>\$ 2,894,188</b>	<b>\$ 2,605,078</b>	<b>\$ 3,087,217</b>
<b>Employee Flex Plan</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 331,847	\$ 3,949,262	\$ 3,810,972	\$ 470,137
<b>Total Assets</b>	<b>\$ 331,847</b>	<b>\$ 3,949,262</b>	<b>\$ 3,810,972</b>	<b>\$ 470,137</b>
<b>Liabilities:</b>				
Payroll Deductions and Withholdings Payable	\$ 328,654	\$ 1,867,097	\$ 1,733,589	\$ 462,162
Due to Others	3,193	4,783	1	7,975
<b>Total Liabilities</b>	<b>\$ 331,847</b>	<b>\$ 1,871,880</b>	<b>\$ 1,733,590</b>	<b>\$ 470,137</b>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,839,858	\$ 6,543,704	\$ 6,123,364	\$ 3,260,198
Investments	287,552	4,024	-	291,576
Other Receivables	854	128,651	123,925	5,580
Prepaid items	1,690	-	1,690	-
<b>Total Assets</b>	<b>\$ 3,129,954</b>	<b>\$ 6,676,379</b>	<b>\$ 6,248,979</b>	<b>\$ 3,557,354</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 62,991	\$ 2,475,263	\$ 2,441,228	\$ 97,026
Accrued Wages Payable	2,555	-	2,555	-
Payroll Deductions and Withholding	328,654	1,867,097	1,733,589	462,162
Due to Student Groups	2,735,754	423,708	161,296	2,998,166
<b>Total Liabilities</b>	<b>\$ 3,129,954</b>	<b>\$ 4,766,068</b>	<b>\$ 4,338,668</b>	<b>\$ 3,557,354</b>

## **REQUIRED TEA SCHEDULE**

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

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
*For the Year Ended June 30, 2020*

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

Fiscal Year	Tax Year	Tax Rates			3 Assessed/Appraised Value for School Tax Purposes	10 Beginning Balance 7/1/19	20 Current Year's Total Levy
		1 Maintenance	2 Debt Service	Total			
2011 and prior	2010 and prior	Various	Various	Various	Various	\$ 1,194,577	\$ -
2012	2011	1.0900	0.3045	1.3945	\$ 17,596,164,360	266,388	-
2013	2012	1.0900	0.3045	1.3945	18,628,331,804	378,548	-
2014	2013	1.0900	0.3045	1.3945	20,421,592,686	427,361	-
2015	2014	1.0900	0.3045	1.3945	22,906,404,805	462,710	-
2016	2015	1.0900	0.3045	1.3945	26,149,492,965	551,167	-
2017	2016	1.0900	0.3045	1.3945	28,777,091,646	715,497	-
2018	2017	1.0900	0.3045	1.3945	29,887,294,371	1,199,237	-
2019	2018	1.1100	0.2845	1.3945	30,702,462,675	5,376,129	-
2020	2019	1.0165	0.3045	1.3210	32,460,980,636	-	428,803,062
<b>1000 Totals</b>						<u>\$ 10,571,614</u>	<u>\$ 428,803,062</u>
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code (Function 97)						<u>\$ -</u>	<u>\$ -</u>

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
*For the Year Ended June 30, 2020*

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

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>31 Maintenance and Operations Collections</u>	<u>32 Debt Service Collections</u>	<u>33 Total Collections</u>	<u>40 Entire Year's Adjustments</u>	<u>50 Ending Balance 6/30/20</u>
2011 and prior	2010 and prior	\$ 51,856	\$ 14,820	\$ 66,676	\$ (219,036)	\$ 908,865
2012	2011	34,259	9,582	43,841	(145)	222,402
2013	2012	34,868	9,655	44,523	1,915	335,940
2014	2013	42,439	11,770	54,209	(1,556)	371,596
2015	2014	39,359	10,909	50,268	3,166	415,608
2016	2015	83,181	23,484	106,665	(4,170)	440,332
2017	2016	(109,383)	(24,204)	(133,587)	(270,017)	579,067
2018	2017	(376,477)	(91,966)	(468,443)	(865,802)	801,878
2019	2018	(622,279)	(8,434)	(630,713)	(4,343,808)	1,663,034
2020	2019	<u>321,084,216</u>	<u>102,203,895</u>	<u>423,288,111</u>	<u>-</u>	<u>5,514,951</u>
<b>1000 Totals</b>		<u>\$ 320,262,039</u>	<u>\$ 102,159,511</u>	<u>\$ 422,421,550</u>	<u>\$ (5,699,453)</u>	<u>11,253,673</u>
					Penalty and interest receivable on taxes	<u>5,031,967</u>
					Total taxes receivable per Exhibit C-1	<u>\$ 16,285,640</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## **STATISTICAL SECTION**

(Unaudited)

The statistical section of the Spring Branch Independent School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

These schedules present information to help assess the affordability of the District's current debt burden and its ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.

### **Operating Information**

These schedules provide information about the District's operations and resources to assist in using the financial statement information to better understand and assess the District's economic condition.



## **Spring Branch Independent School District**

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

(Unaudited)

#### **General**

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

#### **Education**

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

#### **Economy**

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

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

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

*Table 1*  
*Page 1 of 2*

	<u>2020</u>	<u>2019</u>	<u>2018**</u>	<u>2017</u>	<u>2016</u>
<b>Governmental Activities:</b>					
Net investment in Capital Assets	\$ 225,319,596	\$ 181,212,480	\$ 144,407,966	\$ 102,444,943	\$ 69,514,589
Restricted	39,676,558	40,362,752	41,203,585	39,416,425	35,418,382
Unrestricted	<u>(105,599,585)</u>	<u>(97,298,339)</u>	<u>(133,796,297)</u>	<u>30,193,017</u>	<u>18,268,978</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 159,396,569</u>	<u>\$ 124,276,893</u>	<u>\$ 51,815,254</u>	<u>\$ 172,054,385</u>	<u>\$ 123,201,949</u>
<b>Business-type Activities:</b>					
Net investment in Capital Assets	\$ 87,292	\$ 114,973	\$ 131,178	\$ 178,044	\$ 210,747
Unrestricted	<u>2,678,267</u>	<u>2,723,990</u>	<u>2,061,598</u>	<u>1,682,378</u>	<u>1,194,419</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 2,765,559</u>	<u>\$ 2,838,963</u>	<u>\$ 2,192,776</u>	<u>\$ 1,860,422</u>	<u>\$ 1,405,166</u>
<b>Primary Government:</b>					
Net investment in Capital Assets	\$ 225,406,888	\$ 181,327,453	\$ 144,539,144	\$ 102,622,987	\$ 69,725,336
Restricted	39,676,558	40,362,752	41,203,585	39,416,425	35,418,382
Unrestricted	<u>(102,921,318)</u>	<u>(94,574,349)</u>	<u>(131,734,699)</u>	<u>31,875,395</u>	<u>19,463,397</u>
<b>Total Primary Government Net Position</b>	<u>\$ 162,162,128</u>	<u>\$ 127,115,856</u>	<u>\$ 54,008,030</u>	<u>\$ 173,914,807</u>	<u>\$ 124,607,115</u>

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

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

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

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

*Table 1*  
*Page 2 of 2*

	<u>2015</u>	<u>2014*</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Governmental Activities:</b>					
Net investment in Capital Assets	\$ 48,556,852	\$ 31,340,087	\$ 39,027,408	\$ 40,642,961	\$ 51,468,759
Restricted	34,427,839	35,185,387	29,177,399	26,639,052	18,331,462
Unrestricted	20,625,708	12,023,486	56,313,659	62,589,840	59,650,441
<b>Total Governmental Activities Net Position</b>	<u>\$ 103,610,399</u>	<u>\$ 78,548,960</u>	<u>\$ 124,518,466</u>	<u>\$ 129,871,853</u>	<u>\$ 129,450,662</u>
<b>Business-type Activities:</b>					
Net investment in Capital Assets	\$ 232,945	\$ 176,312	\$ 127,443	\$ 65,149	\$ 76,287
Unrestricted	990,458	1,032,359	1,011,532	1,379,690	1,152,713
<b>Total Business-type Activities Net Position</b>	<u>\$ 1,223,403</u>	<u>\$ 1,208,671</u>	<u>\$ 1,138,975</u>	<u>\$ 1,444,839</u>	<u>\$ 1,229,000</u>
<b>Primary Government:</b>					
Net investment in Capital Assets	\$ 48,789,797	\$ 31,516,399	\$ 39,154,851	\$ 40,708,110	\$ 51,545,046
Restricted	34,427,839	35,185,387	29,177,399	26,639,052	18,331,462
Unrestricted	21,616,166	13,055,845	57,325,191	63,969,530	60,803,154
<b>Total Primary Government Net Position</b>	<u>\$ 104,833,802</u>	<u>\$ 79,757,631</u>	<u>\$ 125,657,441</u>	<u>\$ 131,316,692</u>	<u>\$ 130,679,662</u>

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

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

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

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

*Table 2*  
*Page 1 of 4*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Instruction	\$ 268,839,993	\$ 234,722,680	\$ 149,201,257	\$ 217,226,205	\$ 222,799,157
Instructional Resources and Media Services	3,786,825	3,897,560	2,461,202	3,620,703	3,720,503
Curriculum and Instructional Staff Development	11,639,686	10,395,067	7,657,095	9,113,423	8,517,401
Instructional Leadership	7,075,713	6,941,358	4,733,573	5,101,858	5,290,951
School Leadership	23,117,862	21,475,508	13,637,365	20,535,843	20,409,339
Guidance, Counseling, and Evaluation Services	19,316,645	16,858,291	10,954,681	15,111,937	14,583,275
Social Work Services	211,337	143,425	137,913	161,589	172,201
Health Services	4,583,605	4,177,526	2,566,683	4,030,789	3,784,085
Student Transportation	10,381,878	10,801,503	7,725,356	9,936,767	9,561,908
Food Services	15,863,808	17,604,854	13,974,314	17,528,355	17,848,073
Cocurricular/Extracurricular Activities	8,721,830	8,229,674	6,477,887	7,582,955	7,332,319
General Administration	9,972,097	12,886,945	7,215,439	9,504,505	9,151,327
Plant Maintenance and Operations	32,707,469	31,416,621	27,151,071	30,801,530	30,387,638
Security and Monitoring Services	5,753,602	4,768,930	2,672,749	3,926,287	3,708,907
Data Processing Services	10,815,413	10,542,995	7,151,303	8,817,215	11,220,442
Community Services	2,277,797	2,393,819	1,165,671	2,420,472	4,891,557
Interest on Long-term Debt	30,444,451	24,697,652	24,731,864	26,390,567	28,193,805
Bond Issuance Costs and Fees	704,049	703,044	879,365	1,249,427	1,079,090
Facilities Repairs and Maintenance	10,467,783	10,896,450	2,337,289	6,014,174	5,514,826
Purchase of WADA	39,442,568	84,582,729	75,118,321	51,059,269	29,649,359
Payments related to Shared Service Arrangements	505,942	463,835	475,908	419,250	312,788
Payments to JJAEP	-	-	-	-	-
Other Intergovernmental Charges	3,160,915	3,195,108	3,058,519	2,870,107	2,647,310
<b>Total Governmental Activities Expenses</b>	<u>519,791,268</u>	<u>521,795,574</u>	<u>371,484,825</u>	<u>453,423,227</u>	<u>440,776,261</u>
<b>Business-type Activities:</b>					
Athletic Rentals/Concessions	656,589	423,420	561,370	753,147	958,611
After School Programs	-	-	-	-	-
Employee Childcare	1,456,390	1,369,333	1,263,112	1,363,637	1,635,564
Community Education	37,653	235,839	220,866	239,448	309,211
Fine Arts	98,844	120,439	129,529	115,441	137,140
Facility Rentals	333,334	584,159	568,117	483,485	76,330
Summer School	195,980	331,579	279,700	336,090	300,660
Other	86,152	35,213	66,380	60,662	-
<b>Total Business-type Activities Expenses</b>	<u>2,864,942</u>	<u>3,099,982</u>	<u>3,089,074</u>	<u>3,351,910</u>	<u>3,417,516</u>
<b>Total Primary Government Expenses</b>	<u>522,656,210</u>	<u>524,895,556</u>	<u>374,573,899</u>	<u>456,775,137</u>	<u>444,193,777</u>

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

*Table 2*  
*Page 2 of 4*

	2015	2014	2013	2012	2011
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Instruction	\$ 197,208,116	\$ 199,239,989	\$ 183,750,501	\$ 177,338,029	\$ 201,207,980
Instructional Resources and Media Services	3,657,049	3,544,567	3,653,392	4,275,895	4,387,542
Curriculum and Instructional Staff Development	7,482,753	7,912,503	8,100,879	7,401,464	7,589,849
Instructional Leadership	4,103,909	3,226,808	3,624,133	3,730,097	4,189,885
School Leadership	19,705,964	19,099,504	18,333,639	17,937,787	18,442,088
Guidance, Counseling, and Evaluation Services	14,245,108	13,143,594	11,728,287	11,252,726	12,680,996
Social Work Services	94,149	96,337	96,369	116,817	277,370
Health Services	3,548,314	3,411,881	3,286,152	3,383,876	3,365,807
Student Transportation	9,045,577	8,763,517	8,521,668	7,811,242	7,990,151
Food Services	16,419,940	16,287,375	15,555,202	15,035,744	15,411,567
Cocurricular/Extracurricular Activities	7,122,368	6,724,772	6,294,896	4,983,976	5,234,157
General Administration	7,788,096	7,534,880	6,897,517	6,654,497	6,422,833
Plant Maintenance and Operations	29,605,740	29,776,709	30,409,741	27,435,296	27,693,563
Security and Monitoring Services	3,457,287	3,234,400	3,198,976	3,128,068	3,294,200
Data Processing Services	8,504,287	8,119,198	6,431,531	7,105,270	6,289,021
Community Services	4,310,416	4,310,606	4,498,122	4,186,329	1,936,180
Interest on Long-term Debt	32,434,481	35,188,228	34,343,484	34,510,526	31,348,197
Bond Issuance Costs and Fees	1,366,830	725,628	728,367	820,965	435,636
Facilities Repairs and Maintenance	3,798,885	5,838,853	4,748,351	8,933,935	5,123,708
Purchase of WADA	8,199,477	-	-	6,900,318	2,657,017
Payments related to Shared Service Arrangements	378,141	346,466	285,156	239,935	388,064
Payments to JJAEP	-	-	-	-	83,160
Other Intergovernmental Charges	2,359,997	2,088,199	1,042,363	2,988,000	2,002,289
<b>Total Governmental Activities Expenses</b>	<b>384,836,884</b>	<b>378,614,014</b>	<b>355,528,726</b>	<b>356,170,792</b>	<b>368,451,260</b>
<b>Business-type Activities:</b>					
Athletic Rentals/Concessions	1,004,163	1,185,289	923,305	641,512	725,486
After School Programs	69,331	73,027	90,002	90,002	216,640
Employee Childcare	1,629,226	1,581,070	1,592,635	1,592,635	1,779,049
Community Education	377,020	343,753	325,576	325,576	436,089
Fine Arts	138,667	158,233	137,436	137,436	100,013
Facility Rentals	50,383	46,437	57,911	57,911	49,858
Summer School	388,620	287,325	232,231	232,231	352,134
Other	-	-	42,617	42,617	21,159
<b>Total Business-type Activities Expenses</b>	<b>3,657,410</b>	<b>3,675,134</b>	<b>3,401,713</b>	<b>3,119,920</b>	<b>3,680,428</b>
<b>Total Primary Government Expenses</b>	<b>388,494,294</b>	<b>382,289,148</b>	<b>358,930,439</b>	<b>359,290,712</b>	<b>372,131,688</b>

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

*Table 2*  
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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	\$ 2,009,577	\$ 2,663,683	\$ 2,593,049	\$ 2,090,639	\$ 2,016,736
Food Services	1,658,745	2,136,694	1,605,942	2,532,920	2,583,162
Cocurricular/Extracurricular Activities	387,840	420,087	372,481	491,668	470,036
Other Activities	391,211	326,168	397,362	335,580	599,271
<b>Operating Grants and Contributions</b>	<u>88,431,358</u>	<u>83,652,278</u>	<u>8,318,950</u>	<u>69,635,811</u>	<u>74,156,964</u>
<b>Total Governmental Activities Program Revenues</b>	<u>92,878,731</u>	<u>89,198,910</u>	<u>13,287,784</u>	<u>75,086,618</u>	<u>79,826,169</u>
<b>Business-type Activities:</b>					
<b>Charges for Services:</b>					
Athletic Rentals/Concessions	439,574	778,353	766,874	833,989	1,009,738
After School Programs	-	-	-	-	-
Employee Childcare	1,161,682	1,517,776	1,352,288	1,401,180	1,642,583
Community Education	22,786	120,788	141,584	202,130	228,618
Fine Arts	101,062	124,245	125,232	116,046	121,010
Facility Rentals	521,056	918,471	907,042	888,125	205,453
Summer School	116,478	232,173	211,077	298,846	301,236
Other	-	468	4,200	58,635	72,391
<b>Total Business-type Activities Program Revenues</b>	<u>2,362,638</u>	<u>3,692,274</u>	<u>3,508,297</u>	<u>3,798,951</u>	<u>3,581,029</u>
<b>Total Primary Government Program Revenues</b>	<u>95,241,369</u>	<u>92,891,184</u>	<u>16,796,081</u>	<u>78,885,569</u>	<u>83,407,198</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(426,912,537)	(432,596,664)	(358,197,041)	(378,336,609)	(360,950,092)
Business-type Activities	(502,304)	592,292	419,223	447,041	163,513
<b>Total Primary Government Net (Expense)/Revenue</b>	<u>(427,414,841)</u>	<u>(432,004,372)</u>	<u>(357,777,818)</u>	<u>(377,889,568)</u>	<u>(360,786,579)</u>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	322,754,632	333,684,809	316,739,144	304,304,218	279,933,694
Property Taxes, Levied for Debt Service	102,886,193	91,540,055	94,916,596	92,453,632	82,966,419
Investment Earnings	10,369,005	8,950,494	3,369,856	1,224,540	1,404,857
State Aid - Formula Grants - Unrestricted	23,955,821	68,724,464	20,397,035	25,863,767	12,443,554
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-
Miscellaneous	2,454,149	2,153,586	2,106,092	3,342,888	3,808,118
Transfers	(387,587)	3,895	108,881	-	(15,000)
<b>Total Governmental Activities</b>	<u>462,032,213</u>	<u>505,057,303</u>	<u>437,637,604</u>	<u>427,189,045</u>	<u>380,541,642</u>
<b>Business-type Activities:</b>					
Investment Earnings	41,313	57,790	22,012	8,215	3,250
Transfers	387,587	(3,895)	(108,881)	-	15,000
<b>Total Business-type Activities</b>	<u>428,900</u>	<u>53,895</u>	<u>(86,869)</u>	<u>8,215</u>	<u>18,250</u>
<b>Total Primary Government</b>	<u>\$ 462,461,113</u>	<u>\$ 505,111,198</u>	<u>\$ 437,550,735</u>	<u>\$ 427,197,260</u>	<u>\$ 380,559,892</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ 35,119,676	\$ 72,461,639	\$ 79,440,563	\$ 48,852,436	\$ 19,591,550
Business-type Activities	(73,404)	646,187	332,354	455,256	181,763
<b>Total Primary Government</b>	<u>\$ 35,046,272</u>	<u>\$ 73,107,826</u>	<u>\$ 79,772,917</u>	<u>\$ 49,307,692</u>	<u>\$ 19,773,313</u>

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

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

*Table 2*  
*Page 4 of 4*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	\$ 2,051,797	\$ 1,830,851	\$ 1,912,510	\$ 1,409,694	\$ 1,287,699
Food Services	2,638,425	2,911,703	3,039,522	3,276,516	3,315,561
Cocurricular/Extracurricular Activities	452,040	434,228	418,223	462,041	373,420
Other Activities	458,925	318,651	278,731	375,516	337,093
<b>Operating Grants and Contributions</b>	<u>66,824,342</u>	<u>62,114,750</u>	<u>58,398,780</u>	<u>60,574,226</u>	<u>72,320,049</u>
<b>Total Governmental Activities Program Revenues</b>	<u>72,425,529</u>	<u>67,610,183</u>	<u>64,047,766</u>	<u>66,097,993</u>	<u>77,633,822</u>
<b>Business-type Activities:</b>					
<b>Charges for Services:</b>					
Athletic Rentals/Concessions	847,067	1,001,533	666,031	656,305	786,610
After School Programs	69,910	79,330	91,915	91,915	200,170
Employee Childcare	1,712,809	1,727,317	1,594,438	1,594,438	1,663,200
Community Education	336,324	343,947	357,980	357,980	406,384
Fine Arts	120,290	139,471	137,594	137,594	108,209
Facility Rentals	92,193	92,193	91,393	91,393	90,241
Summer School	419,530	287,328	289,164	289,164	276,486
Other	72,391	72,391	115,528	115,528	55,480
<b>Total Business-type Activities Program Revenues</b>	<u>3,670,514</u>	<u>3,743,510</u>	<u>3,344,043</u>	<u>3,334,317</u>	<u>3,586,780</u>
<b>Total Primary Government Program Revenues</b>	<u>76,096,043</u>	<u>71,353,693</u>	<u>67,391,809</u>	<u>69,432,310</u>	<u>81,220,602</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(312,411,355)	(311,003,831)	(291,480,960)	(290,072,799)	(290,817,438)
Business-type Activities	13,104	68,376	(57,670)	214,397	(93,648)
<b>Total Primary Government Net (Expense)/Revenue</b>	<u>(312,398,251)</u>	<u>(310,935,455)</u>	<u>(291,538,630)</u>	<u>(289,858,402)</u>	<u>(290,911,086)</u>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	245,907,769	219,095,170	200,319,455	189,162,413	183,535,631
Property Taxes, Levied for Debt Service	72,539,219	64,498,113	59,498,741	56,071,281	54,176,940
Investment Earnings	805,188	533,462	713,180	868,755	815,827
State Aid - Formula Grants - Unrestricted	15,862,285	25,180,349	27,257,873	42,506,183	46,980,742
Grants and Contributions Not Restricted to Specific Programs	-	70,640	-	-	-
Miscellaneous	2,358,333	2,258,065	1,941,416	1,885,358	4,561,348
Transfers	-	-	250,000	-	(608,543)
<b>Total Governmental Activities</b>	<u>337,472,794</u>	<u>311,635,799</u>	<u>289,980,665</u>	<u>290,493,990</u>	<u>289,461,945</u>
<b>Business-type Activities:</b>					
Investment Earnings	1,628	1,320	1,806	1,442	1,168
Transfers	-	-	(250,000)	-	608,543
<b>Total Business-type Activities</b>	<u>1,628</u>	<u>1,320</u>	<u>(248,194)</u>	<u>1,442</u>	<u>609,711</u>
<b>Total Primary Government</b>	<u>\$ 337,474,422</u>	<u>\$ 311,637,119</u>	<u>\$ 289,732,471</u>	<u>\$ 290,495,432</u>	<u>\$ 290,071,656</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ 25,061,439	\$ 631,968	\$ (1,500,295)	\$ 421,191	\$ (1,355,493)
Business-type Activities	14,732	69,696	(305,864)	215,839	516,063
<b>Total Primary Government</b>	<u>\$ 25,076,171</u>	<u>\$ 701,664</u>	<u>\$ (1,806,159)</u>	<u>\$ 637,030</u>	<u>\$ (839,430)</u>

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

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

*Table 3*  
*Page 1 of 2*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Fund</b>					
Nonspendable	\$ 2,805,675	\$ 2,688,471	\$ 2,883,058	\$ 2,456,182	\$ 2,552,419
Assigned	47,176,381	12,205,335	20,834,023	20,834,023	20,834,022
Unassigned	87,110,204	114,995,420	59,380,209	62,470,752	42,833,493
<b>Total General Fund</b>	<u>\$ 137,092,260</u>	<u>\$ 129,889,226</u>	<u>\$ 83,097,290</u>	<u>\$ 85,760,957</u>	<u>\$ 66,219,934</u>
<b>All Other Governmental Funds</b>					
Non-spendable, Reported in:					
Special Revenue Funds	\$ 1,486	\$ 387,793	\$ 336,758	\$ 175,058	\$ 148,550
Capital Projects Funds	-	47,484	-	-	-
Restricted, Reported in:					
Special Revenue Funds	15,241,337	13,943,396	13,637,011	12,477,094	10,606,545
Debt Service Fund	36,732,847	36,598,724	36,976,948	36,506,260	36,767,956
Capital Projects Funds	299,578,819	146,502,610	170,940,126	34,651,372	60,015,777
Committed, Reported in:					
Special Revenue Funds	1,624,180	1,396,610	1,337,627	1,163,506	1,068,571
<b>Total All Other Governmental Funds</b>	<u>\$ 353,178,669</u>	<u>\$ 198,876,617</u>	<u>\$ 223,228,470</u>	<u>\$ 84,973,290</u>	<u>\$ 108,607,399</u>

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

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

*Table 3*  
*Page 2 of 2*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>General Fund</b>					
Nonspendable	\$ 2,229,910	\$ 3,104,807	\$ 4,886,501	\$ 4,413,621	\$ 3,435,791
Assigned	23,332,944	23,005,277	18,448,202	25,595,778	27,423,625
Unassigned	37,229,167	32,383,083	30,798,942	32,513,688	32,055,868
<b>Total General Fund</b>	<u>\$ 62,792,021</u>	<u>\$ 58,493,167</u>	<u>\$ 54,133,645</u>	<u>\$ 62,523,087</u>	<u>\$ 62,915,284</u>
<b>All Other Governmental Funds</b>					
Non-spendable, Reported in:					
Special Revenue Funds	\$ 164,932	\$ 232,365	\$ 256,839	\$ 266,615	\$ 274,256
Capital Projects Funds	-	-	-	-	-
Restricted, Reported in:					
Special Revenue Funds	17,293,713	14,721,636	13,345,058	10,464,804	9,424,062
Debt Service Fund	32,256,942	33,926,414	29,822,310	29,791,979	21,982,200
Capital Projects Funds	99,784,699	99,592,990	63,190,878	124,944,742	145,114,405
Committed, Reported in:					
Special Revenue Funds	939,615	891,434	847,600	905,297	791,976
<b>Total All Other Governmental Funds</b>	<u>\$ 150,439,901</u>	<u>\$ 149,364,839</u>	<u>\$ 107,462,685</u>	<u>\$ 166,373,437</u>	<u>\$ 177,586,899</u>

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

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

*Table 4*  
*Page 1 of 4*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>					
Local, Intermediate, and Out-of-State	\$ 445,206,440	\$ 445,283,613	\$ 427,274,546	\$ 412,359,365	\$ 374,574,649
State Programs	49,814,289	85,838,346	41,390,909	43,327,729	31,638,445
Federal Programs	45,794,217	51,698,340	45,304,744	44,419,757	45,213,192
<b>Total Revenues</b>	<u>540,814,946</u>	<u>582,820,299</u>	<u>513,970,199</u>	<u>500,106,851</u>	<u>451,426,286</u>
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	221,926,842	199,037,115	195,594,272	189,890,757	189,965,945
Instructional Resources and Media Services	3,629,705	3,672,277	3,593,594	3,526,116	3,624,098
Curriculum and Instructional Staff Development	11,036,244	9,884,338	9,745,723	8,875,891	8,261,645
Instructional Leadership	6,591,812	6,656,169	6,561,751	4,979,322	5,178,684
School Leadership	21,505,240	20,219,861	20,153,963	20,068,272	20,044,199
Guidance, Counseling, and Evaluation Services	18,201,239	16,011,903	14,950,464	14,776,624	14,343,673
Social Work Services	202,860	135,100	189,913	159,707	171,325
Health Services	4,262,723	3,918,229	3,854,994	3,943,138	3,688,453
Student Transportation	8,678,831	11,573,515	8,891,976	8,433,770	8,101,827
Food Services	15,021,420	16,819,281	15,829,535	17,542,765	17,486,097
Cocurricular/Extracurricular Activities	6,654,583	6,252,150	6,345,894	5,837,853	5,591,591
General Administration	9,481,651	12,425,527	9,129,043	9,452,811	9,000,550
Plant Maintenance and Operations	31,551,075	30,487,464	31,549,665	30,358,633	30,436,189
Security and Monitoring Services	5,377,463	4,756,041	3,819,229	3,811,672	3,539,830
Data Processing Services	9,060,840	8,834,758	7,335,860	7,445,706	9,708,220
Community Services	2,001,176	2,220,441	2,028,972	2,337,115	4,688,707
Principal on Long-term Debt	70,204,379	61,895,893	66,225,344	58,784,906	47,529,575
Interest on Long-term Debt	33,601,545	31,465,236	30,588,005	31,928,976	31,951,216
Other Debt Service Expenditures	1,720,143	134,131	1,098,040	2,238,892	1,615,608
Facilities Acquisition and Construction	111,832,032	25,916,253	9,505,604	25,681,202	44,057,147
Contracted Instructional Services	39,442,568	84,582,729	75,118,321	51,059,269	29,649,359
Payments related to Shared Service Arrangements	505,942	463,835	475,908	419,250	312,788
Payments to Juvenile Justice Alt. Ed. Prgm.	-	-	-	-	-
Other Intergovernmental Charges	3,160,915	3,195,108	3,058,519	2,870,107	2,647,310
<b>Total Expenditures</b>	<u>635,651,228</u>	<u>560,557,354</u>	<u>525,644,589</u>	<u>504,422,754</u>	<u>491,594,036</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(94,836,282)</u>	<u>22,262,945</u>	<u>(11,674,390)</u>	<u>(4,315,903)</u>	<u>(40,167,750)</u>

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

*Table 4*  
*Page 2 of 4*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>					
Local, Intermediate, and Out-of-State	\$ 333,343,368	\$ 296,858,984	\$ 271,546,150	\$ 256,909,683	\$ 252,491,199
State Programs	31,557,522	40,550,933	40,161,499	55,973,177	63,322,358
Federal Programs	44,868,724	43,242,824	41,761,766	44,151,738	52,253,146
<b>Total Revenues</b>	<u>409,769,614</u>	<u>380,652,741</u>	<u>353,469,415</u>	<u>357,034,598</u>	<u>368,066,703</u>
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	181,897,891	175,826,794	166,462,318	162,655,760	181,209,645
Instructional Resources and Media Services	3,679,025	3,522,081	3,625,706	4,276,737	4,445,006
Curriculum and Instructional Staff Development	7,631,740	7,920,098	8,119,977	7,511,768	7,597,563
Instructional Leadership	4,116,595	3,275,003	3,636,186	3,727,104	4,241,091
School Leadership	19,567,055	19,098,113	18,409,260	17,953,805	18,572,888
Guidance, Counseling, and Evaluation Services	14,161,861	13,149,995	11,707,677	11,275,372	12,740,481
Social Work Services	99,324	96,211	96,353	116,027	277,839
Health Services	3,605,544	3,407,619	3,286,091	3,387,179	3,383,474
Student Transportation	7,856,932	7,773,279	8,612,641	7,839,289	7,078,622
Food Services	17,276,176	16,044,845	15,363,078	14,875,495	15,863,594
Cocurricular/Extracurricular Activities	5,706,472	5,502,637	5,029,405	4,873,901	5,268,800
General Administration	7,713,782	7,473,402	6,757,554	6,798,880	6,493,670
Plant Maintenance and Operations	29,248,155	29,275,234	30,553,170	27,481,186	27,642,407
Security and Monitoring Services	3,729,648	3,161,314	3,134,772	3,029,380	3,298,378
Data Processing Services	7,283,712	7,045,325	6,907,464	7,077,192	6,337,152
Community Services	4,355,275	4,298,963	4,507,100	4,194,246	1,977,035
Principal on Long-term Debt	33,742,051	23,590,671	24,333,071	19,979,158	24,106,120
Interest on Long-term Debt	35,914,471	37,671,807	38,060,027	39,402,477	31,900,415
Other Debt Service Expenditures	1,080,591	416,706	21,161	194,030	875,093
Facilities Acquisition and Construction	34,976,755	26,872,674	61,124,859	92,357,980	128,448,076
Contracted Instructional Services	8,199,477	-	-	6,900,318	2,657,017
Payments related to Shared Service Arrangements	378,141	346,466	285,156	239,935	388,064
Payments to Juvenile Justice Alt. Ed. Prgm.	-	-	-	-	83,160
Other Intergovernmental Charges	2,359,997	2,088,199	1,042,363	2,988,000	2,002,289
<b>Total Expenditures</b>	<u>434,580,670</u>	<u>397,857,436</u>	<u>421,075,389</u>	<u>449,135,219</u>	<u>496,887,879</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,811,056)</u>	<u>(17,204,695)</u>	<u>(67,605,974)</u>	<u>(92,100,621)</u>	<u>(128,821,176)</u>

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

*Table 4*  
*Page 3 of 4*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Other Financing Sources (Uses)</b>					
Refunding Bonds Issued	\$ -	\$ 32,295,000	\$ -	\$ 51,595,000	\$ 219,345,000
Issuance of Capital Related Debt (Regular Bonds)	230,880,000	-	132,345,000	-	-
Premium/Discount from Issuance of Bonds	25,808,396	-	14,734,693	1,563,309	30,040,499
Sale of Real and Personal Property	40,559	173,243	77,329	54,508	166,962
Capital Lease Proceeds	-	-	-	-	-
Transfers In	783,647	1,612,645	126,026	77,341	-
Transfers Out	(1,171,234)	(1,608,750)	(17,145)	(77,341)	-
Payment to Refunded Bond Escrow Agent	-	(32,295,000)	-	(52,990,000)	(247,789,300)
<b>Total Other Financing Sources (Uses)</b>	<u>256,341,368</u>	<u>177,138</u>	<u>147,265,903</u>	<u>222,817</u>	<u>1,763,161</u>
Net Change in Fund Balances	<u>\$ 161,505,086</u>	<u>\$ 22,440,083</u>	<u>\$ 135,591,513</u>	<u>\$ (4,093,086)</u>	<u>\$ (38,404,589)</u>

<b>Debt Service as a Percentage of Noncapital Expenditures</b>	19.49%	17.25%	18.72%	19.54%	17.32%
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**Note:** Significant negative changes in fund balance are generally associated with facilities, acquisition and construction projects.

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

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

*Table 4*  
*Page 4 of 4*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Other Financing Sources (Uses)</b>					
Refunding Bonds Issued	\$ 116,510,000	\$ -	\$ -	\$ -	\$ -
Issuance of Capital Related Debt (Regular Bonds)	31,390,000	60,990,000	-	75,000,000	137,910,000
Premium/Discount from Issuance of Bonds	13,045,954	2,315,790	-	5,328,914	10,038,466
Sale of Real and Personal Property	94,461	118,887	55,780	135,775	133,137
Capital Lease Proceeds	1,500,093	-	-	-	-
Transfers In	72,290	41,605	250,000	2,464,112	347,922
Transfers Out	(1,491,174)	-	-	(2,433,839)	(908,563)
Payment to Refunded Bond Escrow Agent	(130,936,563)	-	-	-	(45,416,762)
<b>Total Other Financing Sources (Uses)</b>	<u>30,185,061</u>	<u>63,466,282</u>	<u>305,780</u>	<u>80,494,962</u>	<u>102,104,200</u>
 Net Change in Fund Balances	 <u>\$ 5,374,005</u>	 <u>\$ 46,261,587</u>	 <u>\$ (67,300,194)</u>	 <u>\$ (11,605,659)</u>	 <u>\$ (26,716,976)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 16.86%	 18.15%	 18.62%	 18.27%	 15.21%

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

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



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

*Table 5*

<b>Fiscal Year Ended June 30,</b>	<b>Appraised Value</b>		<b>Less: Exemptions</b>	<b>Taxable Assessed Value</b>	<b>Total Direct Rate (1)</b>
	<b>Real Property Value</b>	<b>Personal Property Value</b>			
2020	\$ 37,758,077,417	\$ 5,016,309,335	\$ 8,464,643,590	\$ 34,309,743,162	\$ 1.3210
2019	35,904,928,872	4,934,699,483	8,178,896,843	32,660,731,512	1.3945
2018	35,266,396,044	4,479,338,152	7,864,212,054	31,881,522,142	1.3945
2017	33,526,434,169	4,910,541,251	7,815,108,164	30,621,867,256	1.3945
2016	32,575,143,564	2,373,871,377	7,249,268,469	27,699,746,472	1.3945
2015	28,167,826,641	2,212,613,252	6,176,359,821	24,204,080,072	1.3945
2014	25,212,260,439	2,154,708,573	5,833,418,802	21,533,550,210	1.3945
2013	23,401,710,061	1,888,419,343	5,618,449,625	19,671,679,779	1.3945
2012	22,419,960,609	1,807,332,828	5,557,144,928	18,670,148,509	1.3945
2011	21,763,576,757	1,817,303,004	5,414,045,696	18,166,834,065	1.3945

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

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

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

*Table 6*  
*Page 1 of 2*

<b>Taxing Authority</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Overlapping Rates:</b>					
Bunker Hill Village, City of	\$ 0.2770	\$ 0.2770	\$ 0.2770	\$ 0.2770	\$ 0.2779
Harris County *	0.4508	0.4641	0.4611	0.4634	0.4654
Hedwig Village, City of	0.3235	0.3067	0.2719	0.2225	0.2103
Hilshire Village, City of	0.5591	0.5684	0.5022	0.4823	0.4881
Houston, City of	0.5679	0.5883	0.5842	0.5864	0.6011
Hunters Creek Village, City of	0.1941	0.1841	0.1841	0.1841	0.1841
Memorial Village Water Authority	0.0275	0.0275	0.0275	0.0280	0.0304
Piney Point Village, City of	0.2551	0.2551	0.2551	0.2551	0.2551
Spring Valley, City of	0.4250	0.4300	0.4335	0.4335	0.4500
<b>Total</b>	<b>\$ 3.0799</b>	<b>\$ 3.1012</b>	<b>\$ 2.9966</b>	<b>\$ 2.9323</b>	<b>\$ 2.9624</b>
<b>District Direct Rates:</b>					
Maintenance & Operations	\$ 1.0165	\$ 1.1100	\$ 1.0900	\$ 1.0900	\$ 1.0900
Debt Service	0.3045	0.2845	0.3045	0.3045	0.3045
<b>Total District Direct Rates</b>	<b>\$ 1.3210</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>	<b>\$ 1.3945</b>

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

Source: Harris County Appraisal District Assessments  
[hctax.net/Property/JurisdictionTaxRates](http://hctax.net/Property/JurisdictionTaxRates)

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

*Table 6*  
*Page 2 of 2*

<b>Taxing Authority</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Overlapping Rates:</b>					
Bunker Hill Village, City of	\$ 0.2829	\$ 0.2979	\$ 0.2979	\$ 0.3077	\$ 0.2730
Harris County *	0.4659	0.4663	0.4544	0.4444	0.4444
Hedwig Village, City of	0.1964	0.2086	0.2173	0.2218	0.2230
Hilshire Village, City of	0.5334	0.5743	0.6056	0.6051	0.6374
Houston, City of	0.6311	0.6388	0.6388	0.6388	0.6388
Hunters Creek Village, City of	0.1841	0.1841	0.1900	0.1825	0.1850
Memorial Village Water Authority	0.0346	0.0386	0.0400	0.0399	0.0382
Piney Point Village, City of	0.2551	0.2151	0.2151	0.2151	0.2151
Spring Valley, City of	0.4878	0.5128	0.5398	0.5398	0.5398
<b>Total</b>	<b>\$ 3.0713</b>	<b>\$ 3.1365</b>	<b>\$ 3.1989</b>	<b>\$ 3.1951</b>	<b>\$ 3.1947</b>
<b>District Direct Rates:</b>					
Maintenance & Operations	\$ 1.0900	\$ 1.0900	\$ 1.0900	\$ 1.0900	\$ 1.0900
Debt Service	0.3045	0.3045	0.3045	0.3045	0.3045
<b>Total District Direct Rates</b>	<b>\$ 1.3945</b>				

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

Source: Harris County Appraisal District Assessments  
[hctax.net/Property/JurisdictionTaxRates](http://hctax.net/Property/JurisdictionTaxRates)

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

*Table 7*

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Conoco Phillips Co	\$ 447,440,733	1	1.30%	\$ -		
Energy Tower Investments Ltd	332,098,843	2	0.97%	-		
MC Medical Campus LP	321,636,597	3	0.94%	167,471,826	2	0.92%
Metro National Corp	305,452,451	4	0.89%	510,481,719	1	2.81%
Memorial City Mall LP	282,347,727	5	0.82%	-		
MNC LP/LLC	220,528,171	6	0.64%	-		
ALKF LLC	218,607,249	7	0.64%	-		
Centerpoint Energy Inc	202,504,509	8	0.59%	93,318,407	6	0.51%
Memorial City Towers Ltd	199,180,813	9	0.58%	111,469,705	4	0.61%
MN Coxen LLC	169,622,735	10	0.49%	-		
Behringer Havard	-			135,640,218	3	0.75%
Midway T & C Land Investors LLC	-			97,476,582	5	0.54%
Mitsubishi Caterpillar Forklift America Inc	-			76,082,171	7	0.42%
Energy Tower II	-			70,915,782	8	0.39%
Smith Jim R	-			70,859,490	9	0.39%
Houstonian Campus LTD	-			65,046,557	10	0.36%
<b>Totals</b>	<u>\$ 2,699,419,828</u>		<u>7.86%</u>	<u>\$ 1,398,762,457</u>		<u>7.69%</u>

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

(2) Total assessed value tax year 2019 equals: \$ 34,309,743,162

(3) Total assessed value tax year 2010 equals: \$ 18,166,834,065

Source: Spring Branch ISD tax office

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

*Table 8*

Fiscal Year	Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2020	\$ 428,803,062	\$ 423,288,111	98.71%	\$ -	\$ 423,288,111	98.71%
2019	423,802,034	422,769,713	99.76%	(630,713)	422,139,000	99.61%
2018	410,650,283	412,048,609	100.34%	(2,200,205)	409,848,404	99.80%
2017	393,879,250	396,841,527	100.75%	(3,541,346)	393,300,181	99.85%
2016	359,767,605	360,374,126	100.17%	(1,046,852)	359,327,274	99.88%
2015	315,732,587	316,363,770	100.20%	(1,046,789)	315,316,981	99.87%
2014	281,229,367	282,051,822	100.29%	(1,194,351)	280,857,471	99.87%
2013	257,608,002	256,391,346	99.53%	880,714	257,272,060	99.87%
2012	244,227,147	242,036,758	99.10%	1,967,989	244,004,747	99.91%
2011	236,830,264	235,119,670	99.28%	1,466,445	236,586,115	99.90%

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

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

*Table 9*

<b>Fiscal Year (1)</b>	<b>Governmental Activities</b>			<b>Ratio of Debt to Assessed Value (1)</b>	<b>Debt Per Student (2)</b>
	<b>General Obligation Bonds</b>	<b>Capital Leases/Notes Payable</b>	<b>Total Primary Government</b>		
2020	\$ 854,675,443	\$ -	\$ 854,675,443	2.02%	\$ 26,214
2019	675,008,810	214,379	675,223,189	2.34%	21,670
2018	744,562,827	495,272	745,058,099	2.34%	22,852
2017	669,614,603	770,616	670,385,219	2.19%	20,593
2016	734,543,380	1,040,522	735,583,902	2.66%	22,560
2015	776,752,997	1,305,097	778,058,094	3.21%	23,973
2014	784,530,061	1,548,229	786,078,290	3.65%	24,206
2013	747,206,839	1,763,900	748,970,739	3.81%	23,364
2012	766,535,537	1,961,971	768,497,508	4.12%	24,740
2011	707,780,793	2,143,433	709,924,226	3.91%	23,376

(1) See Table 5 for assessed value data.

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

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

*Table 10*

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less Reserve for Retirement of Bonded Debt</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt To Assessed Value (1)</b>	<b>Net Bonded Debt Per Student (2)</b>
2020	\$ 854,675,443	\$ 24,434,511	\$ 830,240,932	1.96%	\$ 25,816
2019	675,008,810	27,239,206	647,769,604	1.98%	20,788
2018	744,562,827	26,765,920	717,796,907	2.25%	22,016
2017	669,614,603	24,663,287	644,951,316	2.11%	19,812
2016	734,543,380	18,582,403	715,960,977	2.58%	21,958
2015	776,752,997	20,231,386	756,521,611	3.13%	23,310
2014	784,530,061	14,984,741	769,545,320	3.57%	23,697
2013	747,206,839	15,002,336	732,204,503	3.72%	22,841
2012	766,535,537	7,841,168	758,694,369	4.06%	24,424
2011	707,780,793	11,423,005	696,357,788	3.83%	22,929

(1) See Table 5 for assessed value data.

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

**SPRING BRANCH INDEPENDENT SCHOOL DISTRICT**  
**COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT**  
*June 30, 2020*

*Table 11*

<u>Taxing Body</u>	<u>Net Debt Amount</u>	<u>Outstanding As of</u>	<u>Percent Overlapping (1)</u>	<u>Share of Debt</u>
<b><i>Overlapping:</i></b>				
Bunker Hill Village, City of	\$ 6,395,000	6/30/2020	100.00%	\$ 6,395,000
Harris County	1,885,182,125	6/30/2020	7.02%	132,339,785
Harris County Dept of Education	6,320,000	6/30/2020	7.02%	443,664
Harris County Flood Control	83,075,000	6/30/2020	7.02%	5,831,865
Harris County Hosp Dist	86,050,000	6/30/2020	7.02%	6,040,710
Hedwig Village, City of	4,540,000	6/30/2020	100.00%	4,540,000
Hilshire Village, City of	1,550,000	6/30/2020	100.00%	1,550,000
Houston, City of	3,423,995,000	6/30/2020	9.82%	336,236,309
Piney Point Village, City of	5,440,000	6/30/2020	95.62%	5,201,728
Port of Houston Authority	572,569,397	6/30/2020	7.02%	40,194,372
Spring Valley, City of	17,290,000	6/30/2020	100.00%	<u>17,290,000</u>
<b>Total Net Overlapping Debt</b>				<b>556,063,433</b>
<b><i>Direct:</i></b>				
Spring Branch Independent School District	854,675,443		100.00%	<u>854,675,443</u>
<b>Total Direct and Overlapping Debt</b>				<b><u><u>\$ 1,410,738,876</u></u></b>

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

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

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

*Table 12*

<b>Fiscal Year</b>	<b>Residential Units (1)</b>	<b>Total Assessed Value of Residential Units (1)</b>	<b>Personal Income (2)</b>	<b>Average Assessed Value Per Residential Unit</b>	<b>Per Capita Income (2)</b>	<b>Average Daily Attendance (3)</b>	<b>Unemployment Rate (4)</b>
2020	44,564	\$26,274,474,949	*	\$ 589,590	*	32,092	8.4%
2019	44,166	25,089,467,484	*	568,072	*	31,838	3.8%
2018	43,705	24,685,355,513	\$265,351,328,000	564,818	\$ 56,474	32,604	4.4%
2017	43,291	23,214,885,369	250,502,446,000	536,252	53,188	32,554	5.3%
2016	43,001	21,223,254,889	233,826,878,000	493,553	51,186	32,606	5.5%
2015	42,816	18,569,606,282	249,989,500,000	433,707	55,088	32,455	4.8%
2014	42,494	16,521,857,706	252,694,912,000	388,804	56,896	32,474	5.4%
2013	42,325	15,545,579,506	230,462,963,000	367,291	53,141	32,057	6.8%
2012	42,257	15,128,026,545	224,617,980,000	358,000	52,805	31,063	7.6%
2011	42,054	14,643,857,476	204,593,445,000	348,216	48,935	30,370	8.8%

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

(2) Source: FRED Economic Research

(3) Source: District Records

(4) Source: Texas Labor Market Information

\* Information not yet available



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

*Table 13*

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Principal Employers</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Wal-Mart Stores Inc	37,000	1	18.37%	28,500	1	17.58%
Memorial Hermann Healthcare System	24,108	2	11.97%	20,551	2	12.68%
HEB	23,732	3	11.79%	16,500	4	10.18%
University of Texas M.D. Anderson Cancer Center	21,086	4	10.47%	18,012	3	11.11%
McDonald's Corp	20,918	5	10.39%	-		0.00%
Houston Methodist	20,000	6	9.93%	13,322	8	8.22%
Kroger Company	16,000	7	7.95%	14,015	7	8.65%
United Airlines	14,941	8	7.42%	16,290	5	10.05%
Schlumberger	12,069	9	5.99%	9,612	10	5.93%
Shell Oil Company	11,507	10	5.71%	10,700	9	6.60%
Exxon Mobil Corp	-		0.00%	14,600	6	9.01%
<b>Total Employed</b>	<b>201,361</b>		<b>100.00%</b>	<b>162,102</b>		<b>100.00%</b>

2020 Source: Houston New Comers Guides

2011 Source: Houston Chronicle

<https://www.houstonchronicle.com/business/chron-100/article/Houston-s-biggest-employers-reflect-local-12989530.php>  
<https://houstonnewcomerguides.com/top-houston-area-employers/>

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

*Table 14*  
*Page 1 of 2*

<b>POSITION:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2016</b>	<b>2015***</b>
Administrator	90.4	82.4	88.9	86.0	81.0
Assistant Principal	82.0	79.0	79.0	78.0	80.0
Athletic Director	4.0	4.0	4.0	4.0	4.0
Athletic Trainer	8.0	8.0	8.0	8.0	8.0
Bus Driver/Bus Attendants	224.0	232.1	237.5	239.0	232.0
Cafeteria Workers	261.9	283.3	278.0	270.0	299.0
Child Care Worker	70.1	58.8	51.9	65.0	75.0
Counselor	79.9	76.5	76.3	79.0	74.0
Crossing Guard	35.0	31.5	26.0	32.0	42.0
Custodial	200.0	197.0	200.0	205.0	206.0
Intervention Specialists	106.7	91.0	87.2	116.0	116.0
Librarian/Library Assistant	42.0	40.5	39.0	38.0	39.0
Maintenance	80.0	90.0	103.0	97.0	107.0
Nurse/Nurse Assistant	57.4	56.0	58.0	61.0	65.0
Other Auxiliary*	32.4	23.0	22.0	25.0	33.0
Other Professional **	307.3	253.4	226.1	219.0	217.0
Police Officer	36.0	36.0	30.0	31.0	31.0
Principal	48.0	48.0	46.0	46.0	47.0
Registrar	6.5	6.0	6.0	6.0	6.0
Secretary/Clerical	345.9	308.5	308.6	321.0	328.0
Social Worker	0.0	0.0	1.0	1.0	1.0
Teacher	2,211.2	2,117.0	2,123.6	2,133.0	2,230.0
Teacher Assistant	450.5	394.2	377.0	370.0	360.0
Technial/Cat 9 and Aux Tech	60.5	54.5	54.0	56.0	56.0
<b>Total Employees</b>	<b>4,839.7</b>	<b>4,570.6</b>	<b>4,531.1</b>	<b>4,586.0</b>	<b>4,737.0</b>

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

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

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

Source: District Records

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

*Table 14*  
*Page 1 of 2*

<b>POSITION:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2016</b>	<b>2015***</b>
Administrator	90.4	82.4	88.9	86.0	81.0
Assistant Principal	82.0	79.0	79.0	78.0	80.0
Athletic Director	4.0	4.0	4.0	4.0	4.0
Athletic Trainer	8.0	8.0	8.0	8.0	8.0
Bus Driver/Bus Attendants	224.0	232.1	237.5	239.0	232.0
Cafeteria Workers	261.9	283.3	278.0	270.0	299.0
Child Care Worker	70.1	58.8	51.9	65.0	75.0
Counselor	79.9	76.5	76.3	79.0	74.0
Crossing Guard	35.0	31.5	26.0	32.0	42.0
Custodial	200.0	197.0	200.0	205.0	206.0
Intervention Specialists	106.7	91.0	87.2	116.0	116.0
Librarian/Library Assistant	42.0	40.5	39.0	38.0	39.0
Maintenance	80.0	90.0	103.0	97.0	107.0
Nurse/Nurse Assistant	57.4	56.0	58.0	61.0	65.0
Other Auxiliary*	32.4	23.0	22.0	25.0	33.0
Other Professional **	307.3	253.4	226.1	219.0	217.0
Police Officer	36.0	36.0	30.0	31.0	31.0
Principal	48.0	48.0	46.0	46.0	47.0
Registrar	6.5	6.0	6.0	6.0	6.0
Secretary/Clerical	345.9	308.5	308.6	321.0	328.0
Social Worker	0.0	0.0	1.0	1.0	1.0
Teacher	2,211.2	2,117.0	2,123.6	2,133.0	2,230.0
Teacher Assistant	450.5	394.2	377.0	370.0	360.0
Technial/Cat 9 and Aux Tech	60.5	54.5	54.0	56.0	56.0
<b>Total Employees</b>	<b>4,839.7</b>	<b>4,570.6</b>	<b>4,531.1</b>	<b>4,586.0</b>	<b>4,737.0</b>

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

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

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

Source: District Records

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

*Table 15*  
*Page 1 of 2*

<b>Fiscal Year</b>	<b>Average Daily Attendance</b>	<b>Operating Expenditures (1)</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Governmental Activities Expenses</b>
2020	32,604	\$ 427,002,618	13,097	-5.92%	\$ 519,791,268
2019	32,160	447,677,065	13,920	8.24%	521,792,574
2018	32,604	419,316,252	12,861	7.27%	371,481,825
2017	32,554	390,315,215	11,990	5.54%	453,423,227
2016	32,606	370,409,781	11,360	11.36%	440,776,261
2015	32,455	331,072,735	10,201	5.23%	384,836,884
2014	32,474	314,795,540	9,694	4.12%	378,614,014
2013	32,057	298,459,754	9,310	-4.71%	355,528,726
2012	31,063	303,511,703	9,771	-6.05%	356,170,792
2011	30,370	315,856,068	10,400	-1.08%	368,451,260

Source: Nonfinancial information from district records.

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

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

*Table 15*  
*Page 2 of 2*

<b>Fiscal Year</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Teaching Staff (2)</b>	<b>Student to Teacher Ratio</b>	<b>Percentage of Students in Free/Reduced Lunch Program</b>
2020	\$ 15,943	-1.74%	2,211	14.75	61.27%
2019	16,225	42.40%	2,117	15.19	61.36%
2018	11,394	-18.20%	2,124	15.35	61.92%
2017	13,928	3.03%	2,133	15.26	59.93%
2016	13,518	14.01%	2,230	14.62	58.12%
2015	11,858	1.70%	2,136	15.19	55.94%
2014	11,659	5.13%	2,188	14.84	58.41%
2013	11,091	-3.28%	2,151	14.90	59.00%
2012	11,466	-5.49%	2,113	14.70	58.74%
2011	12,132	2.24%	2,301	13.20	58.58%

Source: Nonfinancial information from district records.

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



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

*Table 16*

<b>Fiscal Year</b>	<b>Minimum Salary (1)</b>	<b>Maximum Salary (1)</b>	<b>County Average Salary (2)</b>	<b>Statewide Average Salary (2)</b>
2020	\$ 57,000	\$ 85,400	\$ 60,160	\$ 57,091
2019	54,000	84,462	57,423	54,122
2018	52,000	81,000	56,943	53,334
2017	50,000	81,000	55,888	52,525
2016	50,000	81,000	59,791	51,892
2015	48,000	79,738	54,284	50,715
2014	47,000	77,416	52,356	49,692
2013	45,500	75,161	51,124	48,821
2012	45,500	75,951	50,536	48,375
2011	45,350	72,698	50,712	48,639

(1) Source: District records

(2) Source: Texas Education Agency website

<https://rptsvr1.tea.texas.gov/adhocrpt/adpeb.html>

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

*Table 17*  
*Page 1 of 10*

<b>Building:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>HIGH SCHOOLS</b>					
Memorial (1962)					
Square Footage	311,115	311,115	311,115	311,115	311,115
Capacity	2,516	2,516	2,516	2,516	2,516
Enrollment	2,607	2,620	2,669	2,638	2,650
Northbrook (1974)					
Square Footage	394,609	394,609	394,609	394,609	394,609
Capacity	2,477	2,477	2,477	2,477	2,477
Enrollment	2,674	2,578	2,517	2,444	2,333
Spring Woods (1964)					
Square Footage	349,382	349,382	349,382	349,382	349,382
Capacity	2,098	2,098	2,098	2,098	2,098
Enrollment	2,157	2,150	2,165	2,172	2,213
Stratford (1974)					
Square Footage	323,500	323,500	323,500	323,500	323,500
Capacity	1,923	1,923	1,923	1,923	1,923
Enrollment	2,151	2,137	2,148	2,113	2,124
<b>MIDDLE SCHOOLS</b>					
Landrum (1956)					
Square Footage	178,731	178,731	178,731	178,731	178,731
Capacity	954	954	954	954	954
Enrollment	1,046	1,042	1,053	1,073	1,062
Memorial (1963)					
Square Footage	195,328	195,328	195,328	195,328	195,328
Capacity	1,441	1,441	1,441	1,441	1,441
Enrollment	1,358	1,336	1,348	1,381	1,370
Northbrook (1973)					
Square Footage	203,020	203,020	203,020	203,020	203,020
Capacity	1,004	1,004	1,004	1,004	1,004
Enrollment	917	885	879	939	961
Spring Branch (1953)					
Square Footage	226,188	226,188	226,188	226,188	226,188
Capacity	1,122	1,122	1,122	1,122	1,122
Enrollment	1,159	1,082	1,112	1,091	1,127
Spring Forest (1967)					
Square Footage	192,559	192,559	192,559	192,559	192,559
Capacity	1,094	1,094	1,094	1,094	1,094
Enrollment	990	916	897	850	839
Spring Oaks (1967)					
Square Footage	192,544	192,544	192,544	192,544	192,544
Capacity	896	896	896	896	896
Enrollment	728	717	712	765	768
Spring Woods (1961)					
Square Footage	200,776	200,776	200,776	200,776	200,776
Capacity	1,032	1,032	1,032	1,032	1,032
Enrollment	910	876	876	949	949

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

*Table 17*  
*Page 2 of 10*

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>HIGH SCHOOLS</b>					
Memorial (1962)					
Square Footage	311,115	311,115	311,115	311,115	311,115
Capacity	2,516	2,516	2,516	2,441	2,441
Enrollment	2,602	2,567	2,564	2,461	2,377
Northbrook (1974)					
Square Footage	394,609	394,609	394,609	394,609	394,609
Capacity	2,477	2,477	2,477	2,427	2,427
Enrollment	2,258	2,119	2,155	2,027	2,036
Spring Woods (1964)					
Square Footage	349,382	349,382	349,382	349,382	349,382
Capacity	2,098	2,098	2,098	2,023	2,023
Enrollment	2,131	2,094	2,120	2,002	1,951
Stratford (1974)					
Square Footage	323,500	323,500	323,500	323,500	323,500
Capacity	1,923	1,923	1,923	1,891	1,891
Enrollment	1,934	2,010	2,091	1,967	1,941
<b>MIDDLE SCHOOLS</b>					
Landrum (1956)					
Square Footage	178,731	178,731	178,731	178,731	178,731
Capacity	954	954	954	954	954
Enrollment	1,047	740	828	750	726
Memorial (1963)					
Square Footage	195,328	195,328	195,328	195,328	195,328
Capacity	1,441	1,441	1,441	1,041	1,441
Enrollment	1,377	1,411	1,367	1,297	1,209
Northbrook (1973)					
Square Footage	203,020	203,020	203,020	203,020	203,020
Capacity	1,004	1,004	1,004	1,004	1,004
Enrollment	991	627	827	678	636
Spring Branch (1953)					
Square Footage	226,188	226,188	226,188	226,188	226,188
Capacity	1,122	1,122	1,122	1,122	1,122
Enrollment	1,193	1,163	1,145	1,109	1,055
Spring Forest (1967)					
Square Footage	192,559	192,559	192,559	192,559	192,559
Capacity	1,094	1,094	1,094	1,094	1,094
Enrollment	832	804	874	820	867
Spring Oaks (1967)					
Square Footage	192,544	192,544	192,544	192,544	192,544
Capacity	896	896	896	896	896
Enrollment	782	820	826	824	786
Spring Woods (1961)					
Square Footage	200,776	200,776	200,776	200,776	200,776
Capacity	1,032	1,032	1,032	982	982
Enrollment	925	938	865	830	850

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

*Table 17*  
*Page 3 of 10*

<b>Building:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>ELEMENTARY SCHOOLS</b>					
Buffalo Creek (1997)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	491	507	552	582	619
Bunker Hill (1956)					
Square Footage	65,335	65,335	65,335	65,335	65,335
Capacity	773	773	773	773	773
Enrollment	614	620	641	658	677
Cedar Brook (1993)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	702	726	795	854	891
Edgewood (2011) / (1960)					
Square Footage	109,000	109,000	109,000	109,000	109,000
Capacity	791	791	791	791	791
Enrollment	629	627	641	660	679
Frostwood (2014) / (1960)					
Square Footage	110,145	110,145	110,145	110,145	110,145
Capacity	750	750	750	750	750
Enrollment	773	713	707	704	707
Hollibrook (2010)					
Square Footage	112,095	112,095	112,095	112,095	112,095
Capacity	882	882	882	882	882
Enrollment	764	743	763	804	842
Housman (2011) / (1950)					
Square Footage	101,561	101,561	101,561	101,561	101,561
Capacity	717	717	717	717	717
Enrollment	505	526	534	554	559
Hunters Creek (1954)					
Square Footage	61,937	61,937	61,937	61,937	61,937
Capacity	634	634	634	634	634
Enrollment	615	655	673	643	664
Meadow Wood (2011) / (1964)					
Square Footage	95,278	95,278	95,278	95,278	95,278
Capacity	683	683	683	683	683
Enrollment	550	491	505	509	517
Memorial Drive (1949)					
Square Footage	58,614	58,614	58,614	58,614	58,614
Capacity	466	466	466	466	466
Enrollment	419	426	447	454	458
Nottingham (1969)					
Square Footage	61,574	61,574	61,574	61,574	61,574
Capacity	568	568	568	568	568
Enrollment	608	497	509	532	473

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

*Table 17*  
*Page 4 of 10*

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>ELEMENTARY SCHOOLS</b>					
Buffalo Creek (1997)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	636	657	649	684	679
Bunker Hill (1956)					
Square Footage	65,335	65,335	65,335	65,335	65,335
Capacity	773	773	773	773	758
Enrollment	697	702	682	662	613
Cedar Brook (1993)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	898	898	882	781	881
Edgewood (2011) / (1960)					
Square Footage	109,000	109,000	109,000	109,000	68,978
Capacity	791	791	791	791	756
Enrollment	750	769	819	805	722
Frostwood (2014) / (1960)					
Square Footage	110,145	110,145	32,768	60,625	60,625
Capacity	750	750	720	882	650
Enrollment	701	687	696	727	748
Hollibrook (2010)					
Square Footage	112,095	112,095	112,095	112,095	112,095
Capacity	882	882	882	882	938
Enrollment	830	799	793	824	776
Housman (2011) / (1950)					
Square Footage	101,561	101,561	101,561	101,561	89,762
Capacity	717	717	717	717	682
Enrollment	587	573	589	555	575
Hunters Creek (1954)					
Square Footage	61,937	61,937	61,937	61,937	61,937
Capacity	634	634	634	634	634
Enrollment	669	643	669	670	662
Meadow Wood (2011) / (1964)					
Square Footage	95,278	95,278	95,278	32,766	72,722
Capacity	683	683	683	683	514
Enrollment	501	508	475	445	423
Memorial Drive (1949)					
Square Footage	58,614	58,614	58,614	58,614	58,614
Capacity	466	466	466	466	466
Enrollment	466	470	424	436	445
Nottingham (1969)					
Square Footage	61,574	61,574	61,574	61,574	61,574
Capacity	568	568	568	568	568
Enrollment	445	555	643	591	552

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

*Table 17*  
*Page 5 of 10*

<b>Building:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Pine Shadows (2012) / (1955)					
Square Footage	118,167	118,167	118,167	118,167	118,167
Capacity	913	913	913	913	913
Enrollment	778	770	755	737	783
Ridgecrest (2010)					
Square Footage	111,352	111,352	111,352	111,352	111,352
Capacity	960	960	960	960	960
Enrollment	801	793	760	768	818
Rummel Creek (2016) / (1962)					
Square Footage	106,260	106,260	106,260	106,260	106,260
Capacity	750	750	750	750	750
Enrollment	796	738	737	706	706
Shadow Oaks (2011) / (1959)					
Square Footage	118,314	118,314	118,314	118,314	118,314
Capacity	871	871	871	871	871
Enrollment	641	648	665	724	722
Sherwood (1968)					
Square Footage	69,371	69,371	69,371	69,371	69,371
Capacity	538	538	538	538	538
Enrollment	450	451	456	479	464
Spring Branch (2011)					
Square Footage	101,897	101,897	101,897	101,897	101,897
Capacity	737	737	737	737	737
Enrollment	604	599	566	634	669
Spring Shadows (1968)					
Square Footage	96,664	96,664	96,664	96,664	96,664
Capacity	830	830	830	830	830
Enrollment	669	614	695	733	736
Terrace (1973)					
Square Footage	74,349	74,349	74,349	74,349	74,349
Capacity	702	702	702	702	702
Enrollment	368	391	396	395	437
Thornwood (1973)					
Square Footage	69,038	69,038	69,038	69,038	69,038
Capacity	548	548	548	548	548
Enrollment	405	430	431	426	399
Treasure Forest (1996)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	479	498	570	551	577
Valley Oaks (2015)/(1956)					
Square Footage	117,872	117,872	117,872	117,872	117,872
Capacity	810	810	810	810	810
Enrollment	772	722	670	619	563

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

*Table 17*  
*Page 6 of 10*

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Pine Shadows (2012) / (1955)					
Square Footage	118,167	118,167	118,167	90,184	90,184
Capacity	913	913	913	674	674
Enrollment	824	813	827	725	735
Ridgecrest (2010)					
Square Footage	111,352	111,352	111,352	111,352	111,352
Capacity	960	960	960	960	960
Enrollment	865	903	839	836	820
Rummel Creek (2016) / (1962)					
Square Footage	32,768	72,615	72,615	72,615	72,615
Capacity	720	760	760	760	760
Enrollment	695	679	694	679	729
Shadow Oaks (2011) / (1959)					
Square Footage	118,314	118,314	118,314	118,314	77,230
Capacity	871	871	871	871	700
Enrollment	723	706	685	675	666
Sherwood (1968)					
Square Footage	69,371	69,371	69,371	69,371	69,371
Capacity	538	538	538	538	538
Enrollment	455	452	445	429	394
Spring Branch (2011)					
Square Footage	101,897	101,897	101,897	101,897	101,897
Capacity	737	737	737	737	680
Enrollment	669	632	670	668	540
Spring Shadows (1968)					
Square Footage	96,664	96,664	96,664	96,664	96,664
Capacity	830	830	830	830	830
Enrollment	758	814	743	685	667
Terrace (1973)					
Square Footage	74,349	74,349	74,349	74,349	74,349
Capacity	702	702	702	702	702
Enrollment	465	486	480	526	544
Thornwood (1973)					
Square Footage	69,038	69,038	69,038	69,038	69,038
Capacity	548	548	548	548	548
Enrollment	380	489	477	457	419
Treasure Forest (1996)					
Square Footage	82,179	82,179	82,179	82,179	82,149
Capacity	688	688	688	688	688
Enrollment	627	647	638	644	650
Valley Oaks (2015)/(1956)					
Square Footage	117,872	72,240	72,240	72,240	72,240
Capacity	810	716	716	716	716
Enrollment	573	631	632	626	627

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

*Table 17*  
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<b>Building:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Westwood (2011)					
Square Footage	98,264	98,264	98,264	98,264	98,264
Capacity	871	871	871	871	871
Enrollment	506	521	589	621	660
Wilchester (2011) / (1967)					
Square Footage	123,253	123,253	123,253	123,253	123,253
Capacity	906	906	906	906	906
Enrollment	842	821	793	796	777
Woodview (1958)					
Square Footage	86,114	86,114	86,114	86,114	86,114
Capacity	716	716	716	716	716
Enrollment	587	564	620	645	646
<b>PRE-KINDERGARTEN CENTERS</b>					
Bear Blvd (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	318	294	315	293	295
Lion Lane (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	281	322	304	252	251
Panda Path (2001-Leased Space)					
Square Footage	15,618	15,618	15,618	15,618	15,618
Capacity	136	136	136	136	136
Enrollment	200	211	203	98	144
Tiger Trail (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	327	345	305	249	241
Wildcat Way (2002)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	337	371	326	288	274
<b>OTHER CAMPUSES</b>					
Bendwood (1958)					
Square Footage	38,830	38,830	38,830	38,830	38,830
Capacity	440	440	440	440	440
Enrollment	46	44	37	41	49
Cornerstone Academy (1951) / (2018)					
Square Footage	**	**	**	**	**
Capacity	413	413	413	413	413
Enrollment	373	377	373	382	381

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

*Table 17*  
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<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>ELEMENTARY SCHOOLS (continued)</b>					
Westwood (2011)					
Square Footage	98,264	98,264	98,264	98,264	98,264
Capacity	871	871	871	871	608
Enrollment	670	658	595	599	603
Wilchester (2011) / (1967)					
Square Footage	123,253	123,253	123,253	123,253	71,798
Capacity	906	906	906	906	574
Enrollment	735	747	731	673	630
Woodview (1958)					
Square Footage	86,114	86,114	86,114	86,114	86,114
Capacity	716	716	716	716	716
Enrollment	666	643	638	623	583
<b>PRE-KINDERGARTEN CENTERS</b>					
Bear Blvd (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	290	348	328	346	275
Lion Lane (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	394	309	321	416	314
Panda Path (2001-Leased Space)					
Square Footage	15,618	15,618	15,618	15,618	15,618
Capacity	136	136	136	136	136
Enrollment	137	168	131	148	129
Tiger Trail (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	248	309	265	307	372
Wildcat Way (2002)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	287	286	329	280	313
<b>OTHER CAMPUSES</b>					
Bendwood (1958)					
Square Footage	38,830	38,830	38,830	38,830	38,830
Capacity	440	440	440	440	440
Enrollment	47	39	45	41	62
Cornerstone Academy (1951) / (2018)					
Square Footage	**	**	**	**	**
Capacity	413	413	413	413	413
Enrollment	370	369	383	381	388

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

*Table 17*  
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<b>Building:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>OTHER CAMPUSES (continued)</b>					
The Guthrie Center (1972)					
Square Footage	83,614	83,614	83,614	83,614	83,614
Capacity	326	326	326	326	326
Enrollment	n/a	n/a	n/a	n/a	n/a
School of Choice (1951) / (2018)					
Square Footage	**	**	**	**	**
Capacity	494	494	494	494	494
Enrollment	151	160	187	169	n/a
Spring Branch Education Center (1951) / (2018) **					
Square Footage	170,052	170,052	170,052	170,052	94,467
Capacity	n/a	n/a	n/a	n/a	n/a
Enrollment	n/a	n/a	n/a	n/a	n/a
Westchester Academy (1967)					
Square Footage	294,963	294,963	294,963	294,963	294,963
Capacity	1,012	1,012	1,012	1,012	1,012
Enrollment	965	1,014	1,031	1,023	1,014

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

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

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

*Table 17*  
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<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>OTHER CAMPUSES (continued)</b>					
The Guthrie Center (1972)					
Square Footage	83,614	83,614	83,614	83,614	83,614
Capacity	326	326	326	326	326
Enrollment	n/a	n/a	n/a	n/a	n/a
School of Choice (1951) / (2018)					
Square Footage	**	**	**	**	**
Capacity	494	494	494	494	494
Enrollment	n/a	n/a	n/a	n/a	n/a
Spring Branch Education Center (1951) / (2018) **					
Square Footage	268,780	268,780	268,780	268,780	268,780
Capacity	n/a	n/a	n/a	n/a	n/a
Enrollment	n/a	n/a	n/a	n/a	n/a
Westchester Academy (1967)					
Square Footage	294,963	294,963	294,963	294,963	294,963
Capacity	1,012	1,012	1,012	1,012	1,012
Enrollment	973	936	957	977	977

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

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

