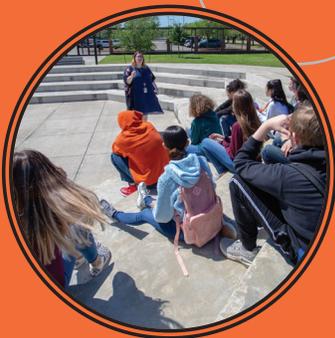




La Porte ISD

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021



Every Student's Success is our #1 Priority!

1002 San Jacinto St, La Porte, TX 77571 | www.lpsid.org

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2021**

LA PORTE INDEPENDENT SCHOOL DISTRICT

1002 San Jacinto Street, La Porte, Texas 77571

Prepared By The LPISD Business Office

Walter Jackson
Superintendent of Schools

Rhonda Cumbie
Chief Financial Officer

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LA PORTE INDEPENDENT SCHOOL DISTRICT

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LA PORTE INDEPENDENT SCHOOL DISTRICT

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La Porte Independent School District

1002 San Jacinto Street
La Porte, Texas 77571

Dr. Walter Jackson
Superintendent of Schools

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

November 10, 2021

Mr. David Janda, President,
Members of the Board of Trustees, and
Citizens of the La Porte Independent School District

Dear Members of the Board of Trustees and Citizens:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the La Porte Independent School District (the "District") for the fiscal year ended June 30, 2021. The CAFR is management's report of financial operations to the Board of Trustees (the "Board"), taxpayers, grantor agencies, employees, the TEA, and other interested parties.

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

Management of the District is responsible for establishing and maintaining internal control structures designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, are free from of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the Federal Awards section of this report. The results of the District's Single Audit for the fiscal year ended June 30, 2021, provided no instances of material weaknesses in the internal control structures or material violations of applicable laws and regulations.

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

Profile of the District

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

The District occupies 55 square miles in Southeast Harris County. Included in its boundaries are the cities of La Porte, Shoreacres, Morgan's Point, and small sections of southeast Deer Park and Pasadena. Established for the 1915-1916 school year, the District is fortunate to have the support of the La Porte community which has retained that special "hometown" feeling while being able to take advantage of opportunities offered by the nearby metropolitan Houston area. During the 2020-2021 fiscal year, the District operated the following:

Campus	Construction Year	Additions/Renovations
La Porte High School (traditional 9 th – 12 th)	1960	1974, 1996, 2008, 2009, 2016, 2017
Academy of Viola Dewalt High School (alternative 9 th – 12 th)	1999	
Secondary DAEP	1965	
La Porte Junior High School	1944	2010
Lomax Junior High School	1986	2010
Baker 6 th Grade Campus	2016	
Bayshore Elementary	2009	
College Park Elementary	1969	2010, 2016
Heritage Elementary	2007	
Jennie Reid Elementary	1981	
La Porte Elementary	1999	
Lomax Elementary	2016	
Rizzuto Elementary	1984	
Support & Administration	Construction Year	Additions/Renovations
Administration Building	1999	
Instructional Technology Center	2009	
Special Programs Building	1980	District acquired/renovated 2016
Support Services Center	2009	

The District serves approximately 7,000 students, and provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and enriched academic education, special education for children with special needs, career and technology education, and programs for students with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in fine arts and athletics.

A Vision for LPISD

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

The goals for improvement, which grew out of a comprehensive needs assessment and the work of the District Board, staff, and community, are to increase achievement and success for every student through rigorous, broad-based academic programs and expanded opportunities; provide a safe, secure, and disciplined learning environment; attract, develop, and retain excellent staff; promote family engagement and active involvement of the community in the education of our students; and ensure and demonstrate efficient and effective use of District resources.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered within the broader perspective of the specific environment in which the District operates. Located just southeast of Houston, Texas, in Harris County, the District is a dynamic factor in the quality of life and economic development efforts of the area. The largest industries surrounding the District include, and are presented in descending order: manufacturing, construction, and educational services. The local economy is subject to volatility in the price of hydrocarbons. La Porte adjoins the Barbour's Cut Terminal, operated by the Port of Houston and the largest of its terminals allotted to handle standardized cargo containers. The La Porte area has an estimated population of 34,976, most recently updated from the US Census Bureau for year end 2019, a 1.3% decrease from 2018. Additionally, Texas Work Force Commission and Texas Labor Market Information for year-end 2020 reported La Porte has seen a 5% unemployment rate increase. While primarily industrial in nature, La Porte has an active and thriving family and business component. It provides easy access to many educational and cultural advantages of the greater Houston/Galveston metropolitan areas. The commercial/industrial growth and the overall economic health of the area have dramatically increased in recent years. Increased property values and growth in the District's tax base easily demonstrate this. The strong collaborative ties with the Chamber of Commerce, the business community, and other local governmental entities demonstrates our continuing efforts to pave inroads in building support and targeting resources to achieve the greatest impact for all of our students.

In the past ten years, the District and the surrounding areas have been impacted by several natural disasters which negatively impact district enrollment and growth. For fiscal year 2021, the District had an enrollment just under 7,000 students, which is down from fiscal year 2020. From the COVID-19 pandemic to the severe winter storm in February, these natural disasters continue to have an impact on enrollment. While enrollment numbers have steadily decreased, our projected numbers reflect a continuing decrease, the District remains active in promoting what La Porte has to offer.

The District currently has 11 Chapter 313 agreements, two of those agreements executed in fiscal year 2021. Under a Chapter 313 agreement for the purpose of maintenance and operations taxes, the taxable value of the property is limited, but for the purpose of bond repayment, the taxable value of the property cannot be limited. Chapter 313 also limits the reduction of maintenance and operating (M&O) taxable value to a floor that generates \$100 per student in average daily attendance (ADA). The agreement, a negotiable payment in lieu of taxes, as well as negotiable support for supplemental school district endeavors such as a foundation perhaps, are made directly to the taxing entity. In our case, the payment would come directly to us and be outside of the current school funding system and not subject to recapture or equalization payments to the State. The 313 agreements are not factored into the District budget until they are approved,

constructed, and assessed. These agreements are a major contributing factor to the District's increased base and provide a 10-year benefit to the District.

The District continues to incur a significant cost in property and casualty insurance due to the location of the District on Galveston Bay. The District has \$200 million of property in AE Zones close to the Bay and \$200 million in coverage. This coverage costs the District \$2.3 million annually of the M&O tax collections which are then recaptured. Escalating insurance market conditions remain a concern. The District also has costs to maintain two recovery storm shelters, and has routine shelter-in-place drills. Between summer 2008 and summer 2017, the District spent \$348 million for replacement and renovation of educational facilities with storm mitigation at the forefront of design and investment.

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

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

Financial Information

Accounting Systems - The Board maintains a system of accounting controls designed to assist Administration in meeting its responsibility for accurately reporting the financial condition of the District. The system is designed to provide reasonable assurance that assets are safeguarded against loss, theft, or misuse so activities can be recorded and transacted by the Administration for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

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

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

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

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

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

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

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

Significant Financial Activities –The District’s total tax base in 2020-21 was over \$11.7 billion, an increase of 3.54 % from the previous year. The tax rates per \$100 of assessed value for the past five years are shown on the following table.

Year	2016-2017	2017-18	2018-19	2019-2020	2020-2021
M&O	\$1.04	\$1.04	\$1.17	\$1.04	\$1.0397
I&S	\$0.38	\$0.34	\$0.21	\$0.24	\$0.23

House Bill 3 was passed by the 86th Texas Legislature in 2019. One major policy area reduces and reforms property taxes and recapture. Property taxes for the District are compressed to \$0.8465 for maintenance and operations during the 2021 tax year; however, pursuant to Texas Tax Code § 26.08(a), due to the disaster declarations issued by Governor Abbott due to Hurricane Hannah on July 25, 2020 and Hurricane Marco and Tropical Storm Laura on August 23, 2020, and due to the decline in enrollment and attendance rates due to these weather events, which thereby necessitated a decreased expenditure of money to respond to the disasters, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occur, the District adopted a maintenance and operations tax rate of \$1.0165.

The District has 1,135 faculty and staff comprised of the following: 50 employees in central administration departments; 520 teachers, librarians, counselors, and nurses; 283 other school leadership and support staff; 111 maintenance employees; 69 cafeteria workers; and 102 employees in transportation for the 2021-2022 budget. The District’s Board approved a four percent general pay increase for all staff. The beginning teacher salary increased to \$58,000.

Major Indicators

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

Test Scores – The 2021 State of Texas Assessments of Academic Readiness (STAAR) tests were cancelled by the Commissioner of Education due to the COVID-19 Global Pandemic, all districts and campuses were labeled *Not Rated: Declared State of Disaster* for 2021. However, under the state accountability system, the District and all campuses met the state’s expectations for the last rated school year (2019). This was the eighth consecutive year that the State has awarded ratings as part of the STAAR accountability system. The District and all campuses have met the State’s standards since the inception of the program. Additionally, districts and campuses may receive distinctions in recognition of outstanding achievement towards performance goals. In fiscal year 2019, six the District campuses were recognized with distinctions in one or more areas. La Porte Elementary earned five, Leo A. Rizzuto Elementary earned four

distinctions, followed by Jennie Reid and College Park Elementary with two distinctions. Earning one distinction each were Heritage and Lomax Elementary schools.

Attendance Rate - Despite the lack of growth in the District and the problems facing families today, the attendance rate in the District remains high at 92.5%.

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

Dual Credit Offerings - The District continued its partnership with San Jacinto College and the La Porte San Jacinto College Center where students may receive dual enrollment credit while attending La Porte High School. The goal of the College Center is to provide opportunities for students to earn college credit and/or industry certification. The District and San Jacinto College also partner to provide the Accelerated College Education dual credit program where eligible students can graduate with an Associate's degree in addition to a high school diploma. In 2021, 46 students graduated with an Associate's degree. We anticipate 48 graduates in 2022 and 36 graduates in 2023.

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

Business and Industry Endorsement

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

Public Services Endorsement

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

Science, Technology, Engineering and Mathematics (STEM) Endorsement

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

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

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

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

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

The District continues to receive an enormous amount of public support as we have worked to mitigate the negative impact of COVID-19. The District continues to work with our stakeholders in keeping them informed of our weekly COVID-19 updates and our continuous efforts to support our teachers and students in the classroom.

Awards and Acknowledgments

Financial Reporting Awards

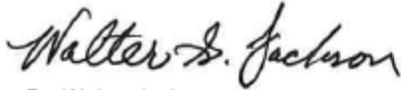
The TEA has awarded the District a rating of “Superior” for the year ended June 30, 2020. This is the nineteenth year of the State’s financial accountability rating system for school districts (School FIRST). The District has received the highest possible rating for the past eighteen years. The rating is based upon an analysis of staff and student data reported for the 2019-2020 school year and budgetary and actual financial data for the fiscal year ended June 30, 2020. The primary goal of School FIRST is to ensure quality performance in the management of school districts’ financial resources, a goal made more significant due to the complexity of accounting associated with Texas’ school finance system.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

The District was also awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its comprehensive annual financial report for the fiscal year ended June 30, 2020. The District believes that the current comprehensive annual financial report continues to conform to the standards for which this award is granted and we will again submit the report for review.

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



Dr. Walter Jackson
Superintendent



Rhonda Cumbie
Chief Financial Officer



Sheila V. Cantu
Director of Finance

CERTIFICATE OF BOARD

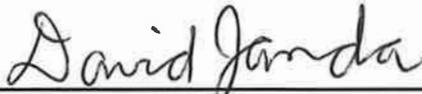
La Porte Independent School District
Name of School District

Harris
County

101-916
Co. Dist. Number

We, the undersigned, clarify that the attached annual financial reports of the above named school district were reviewed and (check one) X approved _____disapproved for the year ended June 30, 2021, at a meeting of the Board of Trustees of such school district on the 16th day of November, 2021.


Signature of Board Secretary


Signature of Board President

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

(attach list as necessary)

La Porte Independent School District
Principal Officials and Advisors

Board of Trustees

Trustee	Office	Completed Years of Service	Term Expires May	Occupation
David Janda	President	9	2024	Teacher
Dee Anne Thomson	Vice President	11	2022	Warehouse Operations Manager
Russell Schoppe	Secretary	1	2023	Teacher/Coach
Kathy Green	Trustee	17	2023	Retired Training Coordinator
Chris Murdock	Trustee	1	2023	Patrol Deputy
Jeff Martin	Trustee	0	2024	Chamber of Commerce President
Melissa Crutcher	Trustee	0	2022	Board Secretary and Marketing Manager

Administrative Officials

Official	Position	Years of Service	
		Total	District
Dr. Walter Jackson	Superintendent	27	1
Rhonda Cumbie	Chief Financial Officer	24	13
Dr. Linda Wadleigh	Deputy Superintendent	36	21
Mike Clausen	Deputy Superintendent	52	52
Danette Tilley	Executive Director, Secondary Education Executive	32	17
Jewel Whitfield	Director, Elementary Education Executive	24	21
Angela Garza-Viator	Director, Human Resources	23	23
Sheila V. Cantu	Director of Finance	20	13
Adam Holland	Director, Communications & Community Relations	15	6

Consultants and Advisors

Belt Harris Pechacek, LLLP

Independent Auditors
3210 Bingle Rd, Suite 300 • Houston, Texas 77055

Hunton Andrews Kurth, L.L.P.

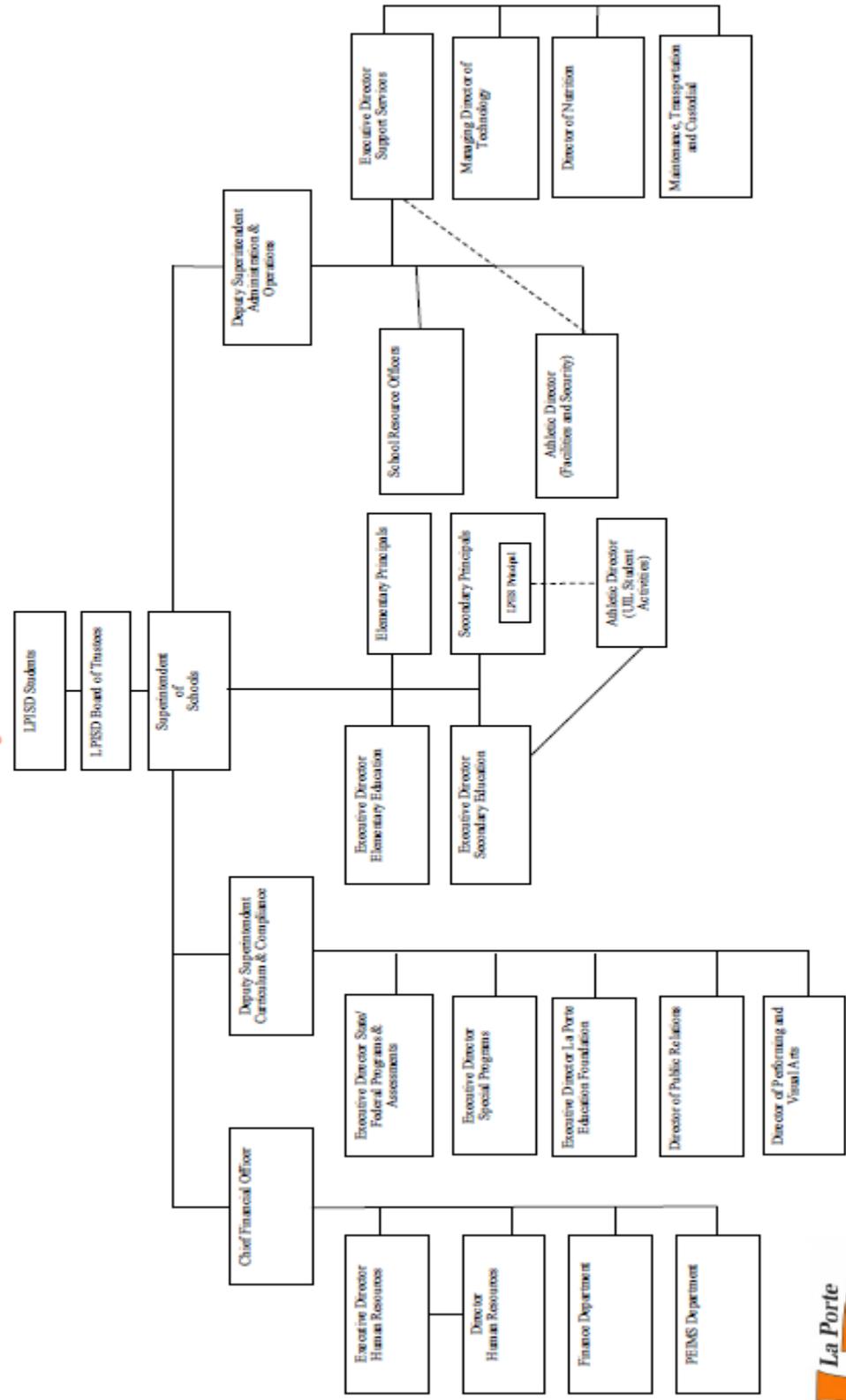
Bond Counsel
600 Travis, Suite 4200 • Houston, Texas 77046

SAMCO Capital Markets, Inc.

Financial Advisor
11111 Katy Freeway #820 • Houston, Texas 77079

La Porte Independent School District
Organizational Chart

2019-2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**La Porte Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

La Porte Independent School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

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

David J. Lewis
Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Porte Independent School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory section, the statistical section, and the schedule of required responses to selected school first indicators have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
November 10, 2021

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

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LA PORTE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

As the management of La Porte Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial condition.

FINANCIAL HIGHLIGHTS

- The District's total combined net position at June 30, 2021 was \$28,948,819.
- For the fiscal year ended June 30, 2021, the District's general fund reported a total fund balance of \$55,795,670, of which \$1,786,748 is nonspendable for inventories and prepaid items, \$2,191,023 is committed for self-insurance and compensated absences and \$51,817,899 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$95,188,210.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

For the Year Ended June 30, 2021

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$28,948,819 at June 30, 2021. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2021. Current assets and liabilities both experienced decreases in the current year. The large decrease in liabilities is primarily related to the state required yearly recapture payment that was accrued in the prior year but did not need to be accrued in the current year. The District reported a decrease of \$12,140,224 in net position from the prior year. An increase in interest expense related to the refunding of debt, along with an increase in the required state property tax recapture payments were the primary reasons for this decrease.

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended June 30, 2021

Table 1

Net Position

<u>Description</u>	<u>Governmental Activities</u>		<u>Total Change</u>
	<u>2021</u>	<u>2020</u>	<u>2021-2020</u>
Current assets	\$ 104,538,366	\$ 150,504,948	\$ (45,966,582)
Capital assets	334,025,539	345,932,577	(11,907,038)
Total Assets	<u>438,563,905</u>	<u>496,437,525</u>	<u>(57,873,620)</u>
Deferred charge on refunding	8,262,028	6,286,010	1,976,018
Deferred outflows - pensions	8,253,666	11,679,830	(3,426,164)
Deferred outflows - OPEB	3,980,140	4,645,147	(665,007)
Total Deferred Outflows of Resources	<u>20,495,834</u>	<u>22,610,987</u>	<u>(2,115,153)</u>
Current liabilities	8,582,006	49,956,061	(41,374,055)
Long-term liabilities	397,099,569	410,375,357	(13,275,788)
Total Liabilities	<u>405,681,575</u>	<u>460,331,418</u>	<u>(54,649,843)</u>
Deferred inflows - pensions	6,180,426	4,687,315	1,493,111
Deferred inflows - OPEB	18,248,919	12,940,736	5,308,183
Total Deferred Inflows of Resources	<u>24,429,345</u>	<u>17,628,051</u>	<u>6,801,294</u>
Net Position:			
Net investment in			
capital assets	18,621,618	27,121,161	(8,499,543)
Restricted	3,782,757	8,785,778	(5,003,021)
Unrestricted	6,544,444	5,182,104	1,362,340
Total Net Position	<u>\$ 28,948,819</u>	<u>\$ 41,089,043</u>	<u>\$ (12,140,224)</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended June 30, 2021

Table 2
Changes in Net Position

	Governmental		Total
	Activities		Change
	2021	2020	2021-2020
Revenues:			
Program revenues:			
Charges for services	\$ 657,838	\$ 1,389,395	\$ (731,557)
Operating grants and contributions	10,214,299	9,666,866	547,433
General revenues:			
Property taxes	142,174,697	131,967,211	10,207,486
Grants and contributions not restricted for specific programs	7,903,262	18,959,584	(11,056,322)
Investment earnings	238,711	1,374,315	(1,135,604)
Other revenue	8,457,414	6,670,886	1,786,528
Gain on sale of capital asset	-	675,776	(675,776)
Total Revenue	<u>169,646,221</u>	<u>170,704,033</u>	<u>(1,057,812)</u>
Expenses:			
Instruction	59,499,677	61,008,278	(1,508,601)
Instructional resources and media services	364,753	383,664	(18,911)
Curriculum/instructional staff development	1,141,627	941,971	199,656
Instructional leadership	1,134,417	1,229,030	(94,613)
School leadership	5,119,390	5,132,269	(12,879)
Guidance, counseling, and evaluation services	4,131,751	4,237,356	(105,605)
Social work services	279,879	247,234	32,645
Health services	985,641	994,588	(8,947)
Student (pupil) transportation	3,520,314	3,085,934	434,380
Food services	3,786,927	4,069,215	(282,288)
Extracurricular activities	2,595,396	2,614,667	(19,271)
General administration	3,380,066	3,688,217	(308,151)
Plant maintenance and operations	12,261,399	11,457,636	803,763
Security and monitoring services	2,060,554	1,813,636	246,918
Data processing services	3,281,911	3,903,305	(621,394)
Community services	144,481	66,847	77,634
Debt service - interest	23,459,261	11,548,802	11,910,459
Bond issuance costs and fees	795,884	236,690	559,194
Contracted instructional services between schools	48,381,443	41,571,997	6,809,446
Payments to fiscal agent/member districts of SSA	161,730	171,317	(9,587)
Payments to juvenile justice alternative education programs	59,400	59,400	-
Payments to tax increment fund	4,141,276	3,810,140	331,136
Other intergovernmental charges	1,099,268	1,068,592	30,676
Total Expenses	<u>181,786,445</u>	<u>163,340,785</u>	<u>18,445,660</u>
Change in Net Position	<u>(12,140,224)</u>	<u>7,363,248</u>	<u>(19,503,472)</u>
Beginning net position	41,089,043	33,725,795	7,363,248
Ending Net Position	<u>\$ 28,948,819</u>	<u>\$ 41,089,043</u>	<u>\$ (12,140,224)</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ending June 30, 2021, the District's governmental funds reported a combined fund balance of \$95,188,210. This compares to a combined fund balance of \$101,035,015 at June 30, 2020.

The general fund fund balance at the end of the fiscal year was \$55,795,670, which represented an increase of \$1,408,572 from the prior year. This increase was primarily due to an increase in property tax revenue received by the District and was offset by an increase in required state property tax recapture payments.

The debt service fund fund balance at the end of the fiscal year was \$7,478,866, which represented a decrease of \$2,065,043 from the prior year. This decrease was primarily due to debt service payments exceeding interest and sinking property tax revenue for the year.

The capital projects fund fund balance at the end of the fiscal year was \$27,345,176, which represented a decrease of \$4,945,917 from the prior year. This decrease was primarily due to the continuing use of bond proceeds for ongoing projects throughout the District.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the period ended June 30, 2021, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. The general fund's actual revenues exceeded budgetary revenues by \$2,417,668 primarily due to more property tax revenue received than anticipated. Budgeted expenditures exceeded actual expenditures by \$730,088 primarily due to positive variances in function 51 as a result of less utility expenses and personnel expenses than anticipated, as well as a positive variance in function 11 as a result of less personnel expenses than anticipated. This was offset by a negative variance in function 91 as final state recapture expenses were higher than anticipated.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the fiscal year ended June 30, 2021, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At June 30, 2021, the District had a total of \$334,025,539 invested in capital assets (net of accumulated depreciation) such as land, construction in progress, buildings, and District equipment. This total includes \$1,165,927 invested during the fiscal year ended June 30, 2021.

More detailed information about the District's capital assets can be found in the notes to the financial statements on page 66.

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
For the Year Ended June 30, 2021

LONG-TERM DEBT

At year end, the District had \$315,810,000 in general obligation bonds outstanding versus \$331,150,000 last year. There was a net reduction in general obligation bonds for the year as the District issued \$76,415,000 in Unlimited Tax Refunding Bonds, Series 2021 in order to advance refund Unlimited School Building Bonds, Series 2014. The refunding resulted in a reduction to future debt service cost of \$17,737,796.

More detailed information about the District's long-term liabilities is presented in the notes to the financial statements on page 67.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's budgeted expenditures for the 2021-2022 school year total \$164,215,294 and the District's Board of Trustees adopted an M & O tax rate of \$1.0165 and an I & S rate of \$.0.24 for a combined rate of \$1.2565.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at 1002 San Jacinto St, La Porte, Texas 77571 , or by calling (281)604-7062.

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BASIC FINANCIAL STATEMENTS

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LA PORTE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION - EXHIBIT A-1

June 30, 2021

<u>Data Control Codes</u>	1 <u>Governmental Activities</u>
<u>Assets</u>	
1110 Cash and cash equivalents	\$ 92,848,910
1120 Investments	5,000,000
1220 Property taxes receivable	3,383,898
1230 Allowance for uncollectible taxes	(1,018,900)
1240 Due from other governments	2,143,681
1250 Accrued interest	8,725
1290 Other receivables	90,744
1300 Inventories	97,624
1410 Prepays	1,983,684
	104,538,366
Capital assets:	
1510 Land	10,371,379
1520 Buildings and improvements, net	315,513,196
1530 Equipment and vehicles, net	8,140,964
	334,025,539
1000	Total Assets 438,563,905
<u>Deferred Outflows of Resources</u>	
1700 Deferred charge on refunding	8,262,028
1705 Deferred outflows - pensions	8,253,666
1710 Deferred outflows - OPEB	3,980,140
1700	Total Deferred Outflows of Resources 20,495,834
<u>Liabilities</u>	
2110 Accounts payable	611,054
2140 Interest payable	3,821,162
2165 Accrued liabilities	2,767,851
2177 Due to custodial funds	832
2180 Due to other governments	1,119,719
2300 Unearned revenue	261,388
	8,582,006
Noncurrent liabilities:	
2501 Long-term liabilities due within one year	16,857,396
2502 Long-term liabilities due in more than one year	380,242,173
2000	Total Liabilities 405,681,575
<u>Deferred Inflows of Resources</u>	
2605 Deferred inflows - pensions	6,180,426
2610 Deferred inflows - OPEB	18,248,919
2600	Total Deferred Inflows of Resources 24,429,345
<u>Net Position</u>	
3200 Net investment in capital assets	18,621,618
Restricted for:	
3850 Debt service	3,657,704
3890 Grant funds	125,053
3900 Unrestricted	6,544,444
3000	Total Net Position \$ 28,948,819

See Notes to Financial Statements.

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LA PORTE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES - EXHIBIT B-1

For the Year Ended June 30, 2021

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense)
			3 Charges for Services	4 Operating Grants and Contributions	6 Primary Gov. Governmental Activities
	Governmental Activities				
11	Instruction	\$ 59,499,677	\$ 61,673	\$ 3,847,542	\$ (55,590,462)
12	Instructional resources				
12	and media services	364,753	7,267	3,641	(353,845)
13	Curriculum/instructional				
13	staff development	1,141,627	843	266,039	(874,745)
21	Instructional leadership	1,134,417	-	145,224	(989,193)
23	School leadership	5,119,390	14,551	92,305	(5,012,534)
31	Guidance, counseling, and				
31	evaluation services	4,131,751	-	1,480,429	(2,651,322)
32	Social work services	279,879	-	913	(278,966)
33	Health services	985,641	-	16,483	(969,158)
34	Student (pupil) transportation	3,520,314	554	206,555	(3,313,205)
35	Food services	3,786,927	313,160	3,340,013	(133,754)
36	Extracurricular activities	2,595,396	257,838	30,979	(2,306,579)
41	General administration	3,380,066	501	29,966	(3,349,599)
51	Plant maintenance and operations	12,261,399	908	130,586	(12,129,905)
52	Security and monitoring services	2,060,554	79	181,278	(1,879,197)
53	Data processing services	3,281,911	260	41,462	(3,240,189)
61	Community services	144,481	204	53,040	(91,237)
72	Debt service - interest	23,459,261	-	215,852	(23,243,409)
73	Bond issuance costs and fees	795,884	-	-	(795,884)
91	Contracted instructional services				
91	between schools	48,381,443	-	-	(48,381,443)
93	Payments to fiscal agent/member				
93	districts of SSA	161,730	-	131,992	(29,738)
95	Payments to juvenile justice				
95	alternative education programs	59,400	-	-	(59,400)
97	Payments to tax increment fund	4,141,276	-	-	(4,141,276)
99	Other intergovernmental charges	1,099,268	-	-	(1,099,268)
	Total Governmental Activities	<u>\$ 181,786,445</u>	<u>\$ 657,838</u>	<u>\$ 10,214,299</u>	<u>(170,914,308)</u>
	General Revenues				
MT	Property taxes, levied for general purposes				114,501,149
DT	Property taxes, levied for debt service				27,673,548
GC	Grants and contributions not restricted				
GC	for specific programs				7,903,262
IE	Investment earnings				238,711
MI	Miscellaneous local and intermediate revenue				8,457,414
TR					Total General Revenues
CN					<u>158,774,084</u>
NB					Change in Net Position
NB	Beginning net position				41,089,043
NE					Ending Net Position
					<u>\$ 28,948,819</u>

See Notes to Financial Statements.

LA PORTE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS - EXHIBIT C-1

June 30, 2021

Data Control Codes	199	599	699	Total Nonmajor Funds	
	General	Debt Service	Capital Projects		
Assets:					
1110	Cash and cash equivalents	\$ 51,039,518	\$ 7,464,988	\$ 27,177,917	\$ 4,540,398
1120	Investments	5,000,000	-	-	-
1220	Property taxes receivable	2,709,012	674,886	-	-
1230	Allowance for uncollectibles	(805,800)	(213,100)	-	-
1240	Due from other governments	1,011,933	13,878	-	1,117,870
1250	Accrued interest	8,725	-	-	-
1260	Due from other funds	719,503	-	12,740	2,357
1290	Other receivables	1,657	-	61,811	14,671
1300	Inventories	16,757	-	7,718	47,448
1410	Prepaid items	1,769,991	-	203,304	-
1000	Total Assets	<u>\$ 61,471,296</u>	<u>\$ 7,940,652</u>	<u>\$ 27,463,490</u>	<u>\$ 5,722,744</u>
Liabilities:					
2110	Accounts payable	\$ 395,914	\$ -	\$ 114,173	\$ 78,343
2150	Payroll deductions	614,131	-	-	-
2160	Accrued wages payable	1,492,686	-	-	195,438
2170	Due to other funds	75,028	-	4,141	694,029
2180	Due to other governments	1,119,655	-	-	48
2300	Unearned revenue	75,000	-	-	186,388
2000	Total Liabilities	<u>3,772,414</u>	<u>-</u>	<u>118,314</u>	<u>1,154,246</u>
Deferred Inflows of Resources:					
2600	Unavailable revenue - property taxes	1,903,212	461,786	-	-
Fund Balances:					
3410	Nonspendable - inventories	16,757	-	7,718	47,448
3430	Nonspendable - prepaid items	1,769,991	-	203,304	-
3450	Restricted - grants	-	-	-	125,053
3470	Restricted - capital acquisitions	-	-	27,134,154	-
3470	and contractual obligations	-	-	-	-
3480	Restricted - debt service	-	7,478,866	-	-
3540	Committed - self-insurance	1,000,000	-	-	-
3520	Committed - compensated absences	1,191,023	-	-	26,170
3545	Committed - student achievement and safety	-	-	-	4,369,827
3600	Unassigned	51,817,899	-	-	-
3000	Total Fund Balances	<u>55,795,670</u>	<u>7,478,866</u>	<u>27,345,176</u>	<u>4,568,498</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 61,471,296</u>	<u>\$ 7,940,652</u>	<u>\$ 27,463,490</u>	<u>\$ 5,722,744</u>

See Notes to Financial Statements.

98
Total
Governmental
Funds

\$ 90,222,821
5,000,000
3,383,898
(1,018,900)
2,143,681
8,725
734,600
78,139
71,923
1,973,295

\$ 102,598,182

\$ 588,430
614,131
1,688,124
773,198
1,119,703
261,388

5,044,974

2,364,998

71,923
1,973,295
125,053

27,134,154
7,478,866
1,000,000
1,217,193

4,369,827
51,817,899

95,188,210

\$ 102,598,182

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LA PORTE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION - EXHIBIT C-1R
June 30, 2021

Total fund balances for governmental funds \$ 95,188,210

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Capital assets - nondepreciable	10,371,379	
Capital assets - depreciable, net	323,654,160	334,025,539

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,364,998
---	-----------

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position	2,224,314
---	-----------

Some liabilities, including bonds payable and the net pension and net other postemployment liability (OPEB) are not reported as liabilities in the governmental funds.

Accrued interest	(3,821,162)	
Deferred outflows - pensions	8,253,666	
Deferred inflows - pensions	(6,180,426)	
Deferred outflows - OPEB	3,980,140	
Deferred inflows - OPEB	(18,248,919)	
Deferred charges on refunding	8,262,028	
Noncurrent liabilities due in one year	(16,857,396)	
Noncurrent liabilities due in more than one year	(380,242,173)	(404,854,242)

Net Position of Governmental Activities	\$ 28,948,819
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See Notes to Financial Statements.

LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - EXHIBIT C-2
For the Year Ended June 30, 2021

Data Control Codes	199 General	599 Debt Service	699 Capital Projects	Total Nonmajor Funds
Revenues				
5700 Local and intermediate sources	\$ 119,019,971	\$ 27,682,790	\$ 1,388,915	\$ 816,655
5800 State program revenues	7,903,262	215,852	-	473,709
5900 Federal program revenues	2,912,708	-	-	7,944,018
5020 Total Revenues	129,835,941	27,898,642	1,388,915	9,234,382
Expenditures				
0011 Instruction	43,510,443	-	1,123,881	3,146,494
0012 Instructional resources and media services	350,971	-	-	7,710
0013 Curriculum and instructional staff development	868,673	-	-	253,464
0021 Instructional leadership	960,536	-	-	121,464
0023 School leadership	4,977,388	-	-	31,526
0031 Guidance, counseling, and evaluation services	2,610,799	-	-	1,390,895
0032 Social work services	271,829	-	-	6,725
0033 Health services	961,105	-	-	375
0034 Student transportation	3,044,047	-	49,227	183,068
0035 Food service	-	-	-	3,601,671
0036 Extracurricular activities	1,608,710	-	-	265,086
0041 General administration	3,238,476	-	81,228	1,491
0051 Plant maintenance and operations	8,827,203	-	2,749,254	84,434
0052 Security and monitoring services	1,735,506	-	108,367	172,780
0053 Data processing services	1,532,584	-	1,425,818	26,385
0061 Community services	11,161	-	-	53,239
Debt service:				
0071 Principal on long-term debt	-	15,340,000	-	-
0072 Interest on long-term debt	-	14,616,435	-	-
0073 Issuance costs and fees	-	795,884	-	-
Capital outlay:				
0081 Facilities acquisition and construction	-	-	797,057	-
Intergovernmental:				
0091 Contracted instructional services				
0091 between schools	48,381,443	-	-	-
0093 Payment related to shared service arrangements	29,738	-	-	131,992
0095 Payments to juvenile justice				
0095 alternative education programs	59,400	-	-	-
0097 Payments to tax increment fund	4,141,276	-	-	-
0099 Other intergovernmental charges	1,099,268	-	-	-
6030 Total Expenditures	128,220,556	30,752,319	6,334,832	9,478,799
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,615,385	(2,853,677)	(4,945,917)	(244,417)
Other Financing Sources (Uses)				
7911 Issuance of bonds	-	76,415,000	-	-
7916 Premium/discount on bonds	-	11,178,891	-	-
8911 Transfers (out)	(206,813)	-	-	-
8940 Payment to bond escrow agent	-	(86,805,257)	-	-
7080 Total Other Financing (Uses)	(206,813)	788,634	-	-
1200 Net Change in Fund Balances	1,408,572	(2,065,043)	(4,945,917)	(244,417)
0100 Beginning fund balances	54,387,098	9,543,909	32,291,093	4,812,915
3000 Ending Fund Balances	\$ 55,795,670	\$ 7,478,866	\$ 27,345,176	\$ 4,568,498

98
Total
Governmental
Funds

\$ 148,908,331
8,592,823
10,856,726

168,357,880

47,780,818
358,681
1,122,137
1,082,000
5,008,914
4,001,694
278,554
961,480
3,276,342
3,601,671
1,873,796
3,321,195
11,660,891
2,016,653
2,984,787
64,400

15,340,000
14,616,435
795,884

797,057

48,381,443
161,730

59,400
4,141,276
1,099,268

174,786,506

(6,428,626)

76,415,000
11,178,891
(206,813)
(86,805,257)

581,821

(5,846,805)

101,035,015

\$ 95,188,210

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LA PORTE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - EXHIBIT C-3
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$	(5,846,805)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation		(12,397,008)
Capital outlay		1,165,927
Disposal of assets		(675,957)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		100,249
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.		
Principal repayments		91,755,000
Issuance of bonds		(76,415,000)
Premium on new debt		(11,178,891)
Accrued interest		836,689
Accreted interest		(11,178,964)
Amortization of loss on refunding		1,976,018
Amortization of premiums		9,913,688
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		23,476
Change in net pension liability		3,546,784
Deferred outflows - pensions		(3,623,285)
Deferred inflows - pensions		(1,295,990)
Change in net OPEB liability		6,809,695
Deferred outflows - OPEB		(2,245,623)
Deferred inflows - OPEB		(3,727,567)
Net on-behalf contributions adjustment - revenues		4,977,702
Net on-behalf contributions adjustment - expenses		(4,977,702)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		317,340
Some revenues/expenditures reported in the governmental funds are not recognized as revenues/expenditures in the Statement of Activities		
Fund level on-behalf adjustment - revenues		(3,793,491)
Fund level on-behalf adjustment - expenditures		3,793,491
Change in Net Position of Governmental Activities	\$	(12,140,224)

See Notes to Financial Statements.

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LA PORTE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION PROPRIETARY FUNDS - EXHIBIT D-1

June 30, 2021

<u>Data Control Codes</u>		<u>Internal Service</u>
	<u>Assets</u>	
	Current assets:	
1110	Cash and cash equivalents	\$ 2,626,089
1260	Due from other funds	59,871
1290	Other receivable	12,605
1300	Inventories, at cost	25,701
1410	Prepaid items	10,389
1000		
	Total Assets	2,734,655
	<u>Liabilities</u>	
	Current liabilities:	
2110	Accounts payable	22,624
2170	Due to other funds	22,105
2180	Due to other governments	16
2200	Accrued expenses	465,596
2000		
	Total Liabilities	510,341
	<u>Net Position</u>	
3900	Unrestricted	2,224,314
3000		
	Total Net Position	\$ 2,224,314

See Notes to Financial Statements.

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LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - EXHIBIT D-2
For the Year Ended June 30, 2021

Data Control Codes		Internal Service
<u>Operating Revenues</u>		
5700	Charges for services	\$ 1,063,474
5020		
	Total Operating Revenues	1,063,474
<u>Operating Expenses</u>		
6100	Payroll costs	463,255
6200	Professional and contracted services	424,929
6300	Supplies and materials	34,376
6400	Other operating costs	34,268
6030		
	Total Operating Expenses	956,828
	Operating Income	106,646
<u>Nonoperating Revenues</u>		
7020	Earnings on investments	3,881
8030		
	Total Nonoperating Revenues	3,881
	Income (Loss) Before Transfers	110,527
7915	Transfers in	206,813
1300		
	Change in Net Position	317,340
0100	Beginning net position	1,906,974
3300		
	Ending Net Position	\$ 2,224,314

See Notes to Financial Statements.

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LA PORTE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS - EXHIBIT D-3

For the Year Ended June 30, 2021

	Internal Service
<u>Cash Flows from Operating Activities</u>	
Cash received from user charges	\$ 1,063,474
Cash payments for insurance claims	(290,915)
Cash payments for other operating expenses	(577,742)
Net Cash Provided by Operating Activities	194,817
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating subsidies and transfers to other funds	206,813
Net Cash Provided by Noncapital Financing Activities	206,813
<u>Cash Flows from Investing Activities</u>	
Proceeds from earnings on investments	3,881
Net Cash Provided by Investing Activities	3,881
Net Increase in Cash and Cash Equivalents	405,511
Beginning cash and cash equivalents, beginning of year	2,220,578
Ending Cash and Cash Equivalents	\$ 2,626,089
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income	\$ 106,646
Effect of increases and (decreases) in current assets and liabilities:	
(Increase) in due from other funds	1,253
Increase in other receivables	(12,605)
Decrease in inventory	6,776
(Increase) in prepaid items	(4,745)
Increase in accounts payable	21,455
(Decrease) in due to other funds	418
(Decrease) in due to other governments	13
(Decrease) in accrued liabilities	75,606
Net Cash Provided by Operating Activities	\$ 194,817

See Notes to Financial Statements.

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LA PORTE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS - EXHIBIT E-1

June 30, 2021

	Private Purpose Trust Funds	Custodial Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 231,446	\$ 128,901
Due from other funds	-	2,244
Total Assets	231,446	131,145
<u>Liabilities</u>		
Account payable	884	833
Due to other funds	-	1,410
Due to other governments	-	1,494
Due to student groups	28,161	-
Total Liabilities	29,045	3,737
<u>Net Position</u>		
Restricted for individuals and organizations	202,401	127,408
Total Net Position	\$ 202,401	\$ 127,408

See Notes to Financial Statements.

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LA PORTE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS - EXHIBIT E-2

For the Year Ended June 30, 2021

	<u>Private Purpose Trust Fund</u>	<u>Custodial Funds</u>
<u>Additions</u>		
Fundraising	\$ -	\$ 46,088
Fees	-	30,648
Dues	-	4,860
Donations	126,817	15,850
Other	-	112,960
Total Additions	<u>126,817</u>	<u>210,406</u>
<u>Deductions</u>		
Dance	-	62,362
Band	-	53,751
Senior class	-	27,689
Scholarship	129,400	-
Other expenses	-	65,483
Total Deductions	<u>129,400</u>	<u>209,285</u>
Change in Net Position	(2,583)	1,121
Beginning net position	<u>204,984</u>	<u>126,287</u>
Ending Net Position	<u>\$ 202,401</u>	<u>\$ 127,408</u>

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LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

The District reports the following governmental funds:

General Fund

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

Debt Service Fund

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

Capital Projects Fund

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

Special Revenue Funds

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

Proprietary Funds

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

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

Internal Service Funds

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

Fiduciary Funds

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

The District has the following type of fiduciary funds:

Custodial Funds

The custodial funds report resources, not in a trust, that are held by the District for other parties outside of the District. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's student activity funds.

Private-Purpose Trust Funds

The private-purpose trust funds are used to report resources held in trust. The trust funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's scholarship trust funds.

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

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

E. Measurement Focus and Basis of Accounting

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

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

3. Inventories and Prepaid Items

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

4. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

5. Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Long-Term Obligations

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

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

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

7. Compensated Absences

Twelve-month employees with less than ten years of service accrue 0.834 days of vacation each month between July 1 and June 30. Twelve-month employees with great than 10 years of service accrue 1.25 vacation days each month between July 1 and June 30. Employees may accrue up to a maximum of 35 vacation days. Earned vacation time shall be paid to an employee who voluntarily separates from employment.

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

In lieu of benefits provided in the preceding paragraph, an employee eligible for such benefits may opt to receive a lump sum equivalent to 70 percent of the eligible benefits made available by this policy in exchange for waiving all other benefits owed under this policy. The accrual for accumulated unpaid sick leave and vacation leave benefits has been recorded in the government-wide financial statements.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2021

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

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

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

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

11. Estimates

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

12. Data Control Codes

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

13. Pensions

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

14. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

2. Property Taxes

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

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

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

The official school budget was prepared for adoption for budgeted governmental fund types by July 1, 2020. The budget was formally adopted by the Board at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the TEA through inclusion in the annual financial and compliance report.

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

A. Expenditures in Excess of Appropriations

General Fund expenditures exceeded appropriations at the legal level of control in function 91 by \$381,443. Debt Service Fund expenditures exceeded appropriations at the legal level of control in function 73 by \$463,621.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2021

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2021, the District had the following investments:

<u>Investments</u>	<u>Amount</u>	<u>Weighted Average Maturity (Years)</u>	<u>Rating</u>
Certificates of Deposit	\$ 5,000,000	0.39	-
Texpool Investment Pool	6,641,894	0.08	AAAm
Lone Star Investment Pool	1,163,536	0.13	AAA
Texas CLASS Investment Pool	2,321,440	0.22	AAAm
Texas Term Cooperative Pool	2,543,370	0.14	AAAm
Total Investments	\$ 17,670,240	0.20	

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

Credit risk. The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/'P1' as provided by two of the top nationally recognized rating agencies. As of June 30, 2021, the District's investments in investment pools were rated 'AAAm' or 'AAA' by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of June 30, 2021, fair market values of pledged securities and FDIC coverage exceeded bank balances.

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

TexPool

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2021

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

Texas CLASS

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

Lone Star

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

TexasTERM

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

B. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 10,371,379	\$ -	\$ -	\$ 10,371,379
Total capital assets not being depreciated	<u>10,371,379</u>	<u>-</u>	<u>-</u>	<u>10,371,379</u>
Capital assets being depreciated:				
Buildings and improvements	436,750,956	797,057	-	437,548,013
Equipment and vehicles	<u>27,785,880</u>	<u>368,870</u>	<u>(675,957)</u>	<u>27,478,793</u>
Total other capital assets	<u>464,536,836</u>	<u>1,165,927</u>	<u>(675,957)</u>	<u>465,026,806</u>
Less accumulated depreciation for:				
Buildings and improvements	110,194,931	11,839,886	-	122,034,817
Equipment and vehicles	<u>18,780,707</u>	<u>1,233,079</u>	<u>(675,957)</u>	<u>19,337,829</u>
Total accumulated depreciation	<u>128,975,638</u>	<u>13,072,965</u>	<u>(675,957)</u>	<u>141,372,646</u>
Other capital assets, net	<u>335,561,198</u>	<u>(11,907,038)</u>	<u>-</u>	<u>323,654,160</u>
Governmental Activities Capital Assets, Net	<u>\$ 345,932,577</u>	<u>\$ (11,907,038)</u>	<u>\$ -</u>	<u>334,025,539</u>
			Less associated debt	(350,800,103)
			Plus unspent bond proceeds	27,134,154
			Plus deferred charge on refunding	<u>8,262,028</u>
			Net Investment in Capital Assets	<u>\$ 18,621,618</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 10,801,861
12 Instructional resources/media services	1,424
21 Instructional leadership	17,905
23 School leadership	1,050
33 Health services	760
34 Student (pupil) transportation	258,257
35 Food services	110,443
36 Extracurricular activities	687,129
41 General administration	16,781
51 Plant maintenance and operations	748,340
52 Security and monitoring services	57,946
53 Data processing services	290,999
61 Community services	80,070
Total Depreciation Expense	\$ 13,072,965

C. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities. The liability for compensated absences, the net pension liability and the net OPEB liability are liquidated by the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 331,150,000	\$ 76,415,000	\$ 91,755,000	\$ 315,810,000	\$ 16,725,000
Bond premiums	22,545,936	11,178,891	9,913,688	23,811,139	-
	353,695,936	87,593,891	101,668,688	339,621,139 *	16,725,000
Other liabilities:					
Compensated absences	1,240,668	46,951	70,427	1,217,192	132,396
Net pension liability	26,357,300	-	3,546,784	22,810,516	-
Net OPEB liability	29,081,453	-	6,809,695	22,271,758	-
Accreted interest	-	11,178,964	-	11,178,964 *	-
Total Governmental Activities	\$ 410,375,357	\$ 98,819,806	\$ 112,095,594	\$ 397,099,569	\$ 16,857,396
				\$ 380,242,173	
				\$ 350,800,103	

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

In the current fiscal year, the District issued \$76,415,000 in Unlimited School Tax Refunding bonds, Series 2021 in March 2021 to refinance previously outstanding Unlimited School Building Bonds, Series 2014 reported in governmental activities, with interest rates ranging from 4.0% to 5.0%. The refunding was done to take advantage of favorable interest rates. The net proceeds of \$87,992,271 were placed in an irrevocable trust with an escrow agent to provide future debt service payments on the refunded bonds. As a result, the Unlimited School Building Bonds, Series 2014 are considered to be defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,118,926. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The refunding reduced total debt service by \$17,737,796 and represented an economic gain of 19.6% savings on the refunded bonds.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the bonds in an irrevocable trust for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As of June 30, 2021, defeased bonds in the amount of \$76,415,000 Unlimited Tax School Building Bonds, Series 2014 remain outstanding.

Bonded debt payable as of June 30, 2021 is as follows:

Date of Issue	Description	Interest Rate Payable	Original Amounts Issued	Amounts Outstanding 06/30/20	Retired Current Year	Amounts Outstanding 06/30/21
3/9/2021	Unlimited Tax Refunding Bonds Series 2021	0.00-2.00%	\$ 76,415,000	\$ -	\$ -	\$ 76,415,000
2/19/2020	Unlimited Tax School Building Bonds Series 2020	2.00-5.00%	\$ 26,550,000	26,550,000	-	26,550,000
6/7/2016	Unlimited Tax School Building Bonds Series 2016	2.00-5.00%	\$ 43,385,000	35,150,000	520,000	34,630,000
4/19/2016	Unlimited Tax Refunding Bonds Series 2016	2.50-5.00%	\$ 21,370,000	18,885,000	1,370,000	17,515,000
8/12/2015	Unlimited Tax School Building Bonds Series 2015	3.00-5.00%	\$ 72,545,000	53,955,000	2,535,000	51,420,000
4/6/2015	Unlimited Tax Refunding Bonds Series 2015	3.00-5.00%	\$ 67,760,000	57,830,000	4,105,000	53,725,000
11/18/2014	Unlimited Tax Refunding Bonds Series 2014	4.38-5.00%	\$ 6,090,000	2,500,000	170,000	2,330,000
10/2/2014	Unlimited Tax School Building Bonds Series 2014	2.00-5.00%	\$ 99,675,000	81,025,000	77,995,000	3,030,000
5/17/2012	Unlimited Tax Refunding Bonds Series 2012	2.00-5.00%	\$ 40,685,000	36,025,000	2,325,000	33,700,000
9/14/2010	Unlimited Tax Schoolhouse Bonds Taxable Series 2010B (BABs)	3.52-4.64%	\$ 18,880,000	18,880,000	2,385,000	16,495,000
1/19/2010	Unlimited Tax Refunding Bonds, Series 2010	2.25-5.00%	\$ 19,500,000	350,000	350,000	-
Totals				<u>\$ 331,150,000</u>	<u>\$ 91,755,000</u>	<u>\$ 315,810,000</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended June 30, 2021

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

Year Ended June 30	Principal	Interest	Total Requirements
2022	\$ 16,725,000	\$ 10,386,899	\$ 27,111,899
2023	17,175,000	9,720,729	26,895,729
2024	17,750,000	9,014,457	26,764,457
2025	17,895,000	8,187,957	26,082,957
2026	18,600,000	7,452,537	26,052,537
2027-2031	104,510,000	26,295,077	130,805,077
2032-2036	78,485,000	11,234,861	89,719,861
2037-2040	44,670,000	2,297,818	46,967,818
	<u>\$ 315,810,000</u>	<u>\$ 84,590,333</u>	<u>\$ 400,400,333</u>

D. Interfund Transactions

The interfund balances and transfers at June 30, 2021 were as follows:

Transfers Out	Transfers In	Amount
General	Internal service	\$ 206,813

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

Due From	Due To	Amount
General	Nonmajor governmental	\$ 691,847
General	Capital projects	4,141
General	Internal service	22,105
General	Custodial	1,410
Nonmajor governmental	General	173
Nonmajor governmental	Nonmajor governmental	2,182
Capital projects	General	12,740
Internal service	General	59,871
Custodial	General	2,244
	Total	<u>\$ 796,713</u>

IV. OTHER INFORMATION

A. Risk Management

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

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

Settled claims have not exceeded the aggregate coverage in any year the Plan has been in effect. Insurance coverage has not been reduced for the year from the prior year. Accrued claims payable of \$465,596 as of June 30, 2021 includes provisions for reported claims and claims incurred but not year reported is determined by estimating the amount that will ultimately be paid each claimant and is calculated and provided by the District's third-party administrator. Accrued claims payable have not been discounted to their present value as the District expects such claims to be paid within the following fiscal year. The District believes that any discount of the claims payable would not be material to the overall financial statements.

Changes in the Plan claims liability amount for the fiscal year ended June 30, 2021 are as follows:

	<u>2021</u>	<u>2020</u>
Liability, beginning of year	\$ 389,990	\$ 533,733
Current year claims charges and estimates	143,697	144,570
Claim payments	(68,091)	(288,313)
Liability, End of Year	<u>\$ 465,596</u>	<u>\$ 389,990</u>

B. Contingent Liabilities

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

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

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

C. Litigation

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

D. Defined Benefit Pension Plan

Teacher Retirement System

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS's 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. Actuarial implications of the funding provided in the manner are determined by TRS's actuary.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increase from the State, participating employers, and active

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

employees to make TRS actuarially sound. This action causing TRS to be actuarially sound allowed the Legislature to approve funding for a thirteenth check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions

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

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

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

Contribution Rates

	<u>2021</u>	<u>2020</u>
Member	7.7%	7.7%
NECE (State)	7.5%	7.5%
Employers	7.5%	7.5%

	<u>Measurement Year (2020)</u>	<u>Fiscal Year (2021)</u>
Employer contributions	\$ 1,757,289	\$ 1,826,677
Member contributions	\$ 4,218,965	\$ 4,391,813
NECE on-behalf contributions	\$ 3,055,113	\$ 3,186,147

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

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS during that fiscal year reduced by the amounts described below, which are paid by the employers.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

Employers (public schools, junior colleges, other entities, or the State as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2.0 percent in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

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

Valuation date	August 31, 2019 rolled forward to August 31, 2020
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	2.33%. 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."
Inflation	2.3%
Salary increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2019. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 14, 2019.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2021

Discount Rate

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

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

The long-term expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued

For the Year Ended June 30, 2021

Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2020 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2020

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Long-Term Expected Arithmetic Real Rate of Return (2)</u>	<u>Expected Contributions to Long-Term Portfolio Returns</u>
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources, and Infrastructure	6.00%	6.00%	0.42%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag(3)			-0.67%
Total	<u>100.00%</u>	<u>33.30%</u>	<u>7.32%</u>

(1) Target allocations are based on the FY2020 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

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

Discount Rate Sensitivity Analysis

The following table presents the net pension liability (NPL) of TRS using the discount rate of 7.25%, and what the NPL would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	<u>\$ 35,173,408</u>	<u>\$ 22,810,516</u>	<u>\$ 12,765,938</u>

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

At June 30, 2021, the District reported a liability of \$22,810,516 for its proportionate share of the TRS's NPL. This liability reflects a reduction for State pension support provided to the District.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

The amount recognized by the District as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$	22,810,516
State's proportionate share that is associated with the District		39,657,003
Total		<u><u>\$ 62,467,519</u></u>

The NPL was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2019 through August 31, 2020.

At June 30, 2021, the District's proportion of the collective NPL was 0.042590%, which was a decrease of 0.008113% from its proportion measured as of June 30, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended June 30, 2021, the District recognized pension expense of \$4,769,857 and revenue of \$4,769,857 for support provided by the State.

At June 30, 2021 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 41,650	\$ (636,581)
Changes in actuarial assumptions	5,292,851	(2,250,483)
Difference between projected and actual investment earnings	461,779	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	926,306	(3,293,362)
Contributions paid to TRS subsequent to the measurement date	1,531,080	-
Total	<u><u>\$ 8,253,666</u></u>	<u><u>\$ (6,180,426)</u></u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30</u>	<u>Pension Expense</u>
2022	\$ 518,675
2023	664,904
2024	568,138
2025	(227,950)
2026	(809,369)
Thereafter	(172,238)
Total	<u><u>\$ 542,160</u></u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

E. Defined Other Postemployment Benefit Plans

Plan Description

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

OPEB Plan Fiduciary Net Position

Detailed information about TRS-Care's fiduciary net position is available in a separately issued TRS Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

Components of the net OPEB liability of TRS-Care as of August 31, 2020 are as follows:

Total OPEB liability		\$ 40,010,833,815
Less: plan fiduciary net position		<u>1,996,317,932</u>
Net OPEB Liability		<u>\$ 38,014,515,883</u>
Net position as a percentage of total OPEB liability		4.99%

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education service centers, and other educational districts who are members of TRS. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in TRS. There are no automatic postemployment benefit changes, including automatic COLAs.

The premium rates for the Optional Health Insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage:

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

**or surviving spouse*

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

Contributions

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

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

	Contribution Rates	
	Fiscal Year	
	2020	2021
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

	Measurement Year (2020)	Fiscal Year (2021)
Employer contributions	\$ 445,306	\$ 452,552
Member contributions	\$ 179,864	\$ 185,369
NECE on-behalf contributions	\$ 598,376	\$ 712,957

In addition to the employer contributions listed above, there is an additional surcharge to which all TRS employers are subject (regardless of whether or not they participate in TRS-Care). When employers hire a TRS retiree, they are required to pay a monthly surcharge of \$535 per retiree to TRS-Care.

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total OPEB liability to August 31, 2020.

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS actuarial valuation that was rolled forward to August 31, 2020:

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

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

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

Additional actuarial methods and assumptions are as follows:

Valuation date	8/31/2019 rolled forward to 8/31/2020
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.33% as of August 31, 2019.
Aging factors	Based on plan-specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases*	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% in the discount rate since the previous year. Because TRS-Care is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

Sensitivity of the Net OPEB Liability

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

	1% Decrease in Discount Rate (1.33%)	Current Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the net OPEB liability	\$ 26,726,058	\$ 22,271,758	\$ 18,753,500

Healthcare Cost Trend Rates Sensitivity Analysis – The following presents the net OPEB liability of TRS-Care 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 1% less than or 1% higher than the assumed healthcare cost trend rate:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
District's proportionate share of the net OPEB liability	\$ 18,193,173	\$ 22,271,758	\$ 27,703,857

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

At June 30, 2021, the District reported a liability of \$22,271,758 for its proportionate share of TRS-Care's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, 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	\$ 22,271,758
State's proportionate share that is associated with the District	29,927,904
Total	\$ 52,199,662

The net OPEB liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to TRS-Care relative to the contributions of all employers to TRS-Care for the period September 1, 2019 through August 31, 2020.

At the June 30, 2021 measurement date, the District's proportion of the collective net OPEB liability was 0.0585875% percent, which was a decrease of 0.002907% as of June 30, 2020.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

Changes Since the Prior Actuarial Valuation

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

- The discount rate was changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the total OPEB liability.

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$207,845 and revenue of \$207,845 for support provided by the State.

At June 30, 2021, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 1,166,140	\$ (10,192,695)
Changes in actuarial assumptions	1,373,704	(6,115,940)
Difference between projected and actual investment earnings	7,237	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,055,296	(1,940,284)
Contributions paid to TRS subsequent to the measurement date	377,763	-
Total	\$ 3,980,140	\$ (18,248,919)

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:

Fiscal Year Ended June 30	OPEB Expense
2022	\$ (2,363,894)
2023	(2,364,861)
2024	(2,365,415)
2025	(2,365,263)
2026	(1,770,377)
Thereafter	(3,416,732)
Total	\$ (14,646,542)

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on behalf of the District were \$256,324, \$233,163, and \$206,420, respectively.

F. Unemployment Compensation

During the year ended June 30, 2021, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

G. Tax Abatements

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

The Agreements are for local businesses to invest a minimum capital investment totaling \$290,000,000 within the District's boundaries during a qualifying period and to create jobs. Each investment would be limited to taxable value of the lesser of the qualified appraised value or \$30,000,000/\$80,000,000 depending on the project. The District's tax abatements expire in increments beginning in 2024 through 2031.

For the fiscal year ended June 30, 2021, the District has foregone collecting property taxes totaling approximately \$48.3 million resulting from the M&O tax rate of \$1.0397 per \$100 of taxable value. The qualified property per the Agreement had a taxable value of approximately \$1.05 billion and was limited to a taxable value of \$290,000,000. However, in foregoing the property tax revenue, the District receives state funding through the Foundation School Program funding formula to offset the loss of property tax revenues.

LA PORTE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, *Continued*

For the Year Ended June 30, 2021

H. Restatement of Net Position

During the fiscal year, the District implemented GASB Statement No. 84 – *Fiduciary Activities* and restated the net position related to custodial funds for the implementation of this standard as follows:

	<u>Custodial Funds</u>
Beginning net position as reported	\$ -
GASB 84 Implementation	<u>126,287</u>
Restated beginning net position	<u>\$ 126,287</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - EXHIBIT G-1
For the Year Ended June 30, 2021

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		Positive (Negative)
Revenues					
5700	Local, intermediate, and out-of-state	\$ 116,807,932	\$ 117,541,665	\$ 119,019,971	\$ 1,478,306
5800	State program revenues	7,887,551	7,887,551	7,903,262	15,711
5900	Federal program revenues	1,989,057	1,989,057	2,912,708	923,651
5020	Total Revenues	<u>126,684,540</u>	<u>127,418,273</u>	<u>129,835,941</u>	<u>2,417,668</u>
Expenditures					
0011	Instruction	45,158,352	43,739,913	43,510,443	229,470
0012	Instructional resources	364,109	360,000	350,971	9,029
0013	Curriculum and staff development	1,035,412	909,844	868,673	41,171
0021	Instructional leadership	998,237	971,700	960,536	11,164
0023	School leadership	4,886,351	5,022,349	4,977,388	44,961
0031	Guidance, counseling, and				
0031	evaluation services	2,462,084	2,612,268	2,610,799	1,469
0032	Social work services	275,690	272,406	271,829	577
0033	Health services	963,739	963,500	961,105	2,395
0034	Student (pupil) transportation	3,372,645	3,130,101	3,044,047	86,054
0036	Extracurricular activities	1,705,373	1,698,720	1,608,710	90,010
0041	General administration	3,521,077	3,270,714	3,238,476	32,238
0051	Plant maintenance and operations	9,540,694	9,266,538	8,827,203	439,335
0052	Security and monitoring services	1,883,961	1,812,159	1,735,506	76,653
0053	Data processing services	1,634,500	1,568,221	1,532,584	35,637
0061	Community services	35,566	22,529	11,161	11,368
Intergovernmental:					
0091	Contracted instructional services				
0091	between schools	44,940,105	48,000,000	48,381,443	(381,443) *
0093	Shared service arrangements	29,600	29,738	29,738	-
0095	Payments to juvenile justice				
0095	alternative education programs	59,400	59,400	59,400	-
0097	Payments to tax increment fund	3,810,140	4,141,276	4,141,276	-
0099	Other intergovernmental charges	1,075,000	1,099,268	1,099,268	-
6030	Total Expenditures	<u>127,752,035</u>	<u>128,950,644</u>	<u>128,220,556</u>	<u>730,088</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,067,495)</u>	<u>(1,532,371)</u>	<u>1,615,385</u>	<u>3,147,756</u>
Other Financing Sources (Uses)					
8911	Transfers (out)	(482,218)	(564,894)	(206,813)	358,081
7080	Total Other Financing Sources	<u>(482,218)</u>	<u>(564,894)</u>	<u>(206,813)</u>	<u>358,081</u>
1200	Net Change in Fund Balance	(1,549,713)	(2,097,265)	1,408,572	3,505,837
0100	Beginning fund balance	54,387,098	54,387,098	54,387,098	-
3000	Ending Fund Balance	<u>\$ 52,837,385</u>	<u>\$ 52,289,833</u>	<u>\$ 55,795,670</u>	<u>\$ 3,505,837</u>

* Expenditures exceeded appropriations at the legal level of control.

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principals (GAAP).

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-2
For the Year Ended June 30, 2021

	Measurement Year*			
	2020	2019	2018	2017
District's proportion of the net pension liability	0.0425903%	0.0507036%	0.0519339%	0.0507900%
District's proportionate share of the net pension liability (asset)	\$ 22,810,516	\$ 26,357,300	\$ 28,585,684	\$ 16,241,030
State's proportionate share of the net pension associated with the District	39,657,003	35,655,846	39,477,362	23,985,725
Total	<u>\$ 62,467,519</u>	<u>\$ 62,013,146</u>	<u>\$ 68,063,046</u>	<u>\$ 40,226,755</u>
District's covered payroll**	\$ 54,791,753	\$ 53,578,488	\$ 53,503,293	\$ 52,116,034
District's proportionate share of the net pension liability as a percentage of its covered payroll	41.63%	49.19%	53.43%	31.16%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%

* Only seven years' worth of information is currently available.

Notes to Required Supplementary Information:

Changes in Assumptions: There were no changes in assumptions or other inputs that affected measurement of the total pension (TPL) liability since the prior measurement period.

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

Measurement Year*		
2016	2015	2014
0.0504400%	0.0513500%	0.0353100%
\$ 19,059,283	\$ 18,151,082	\$ 9,433,339
29,292,219	27,003,832	23,350,382
<u>\$ 48,351,502</u>	<u>\$ 45,154,914</u>	<u>\$ 32,783,721</u>
\$ 50,779,368	\$ 47,658,971	\$ 46,141,521
37.53%	38.09%	20.44%
78.00%	78.43%	83.25%

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

	Fiscal Year			
	2021	2020	2019	2018
Contractually required contribution	\$ 1,826,677	\$ 1,704,530	\$ 1,800,737	\$ 1,739,592
Contributions in relations to the contractually required contribution	1,826,677	1,704,530	1,800,737	1,739,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 57,036,532	\$ 54,791,753	\$ 53,578,488	\$ 53,503,293
Contributions as a percentage of covered payroll	3.20%	3.11%	3.36%	3.25%

*Only seven years of information is currently available.

Fiscal Year		
2017	2016	2015
\$ 1,603,245	\$ 1,520,457	\$ 895,354
1,603,245	1,520,457	895,354
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 51,900,186	\$ 50,468,268	\$ 46,141,521
3.09%	3.01%	1.94%

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LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM
(TRS-CARE) EXHIBIT G-4
For the Year Ended June 30, 2021

	Measurement Year*			
	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0585875%	0.0614944%	0.0621437%	0.0595800%
District's proportionate share of the collective net OPEB liability	\$ 22,271,758	\$ 29,081,453	\$ 31,028,940	\$ 25,909,434
State's proportionate share of the collective net OPEB liability associated with the District	29,927,904	38,642,747	46,296,733	41,428,528
Total	\$ 52,199,662	\$ 67,724,200	\$ 77,325,673	\$ 67,337,962
District's covered payroll**	\$ 54,791,753	\$ 53,578,488	\$ 53,503,293	\$ 52,116,034
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.24%	54.28%	57.99%	49.71%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

* Only four years' worth of information is currently available.

Notes to Required Supplementary Information:

Changes in Assumptions: There were changes in assumptions that affected measurement of the total OPEB liability since the measurement period.

The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. The change increased the total OPEB liability.

The participation rate of post-65 retirees was lowered from 50% to 40%. This change lowered the total OPEB liability.

The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the total OPEB liability.

Changes in Benefits: There were no changes of benefit terms since the prior measurement date.

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LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM
(TRS-CARE) EXHIBIT G-5
For the Year Ended June 30, 2021

	Fiscal Year*			
	2021	2020	2019	2018
Statutorily required contributions	\$ 452,552	\$ 440,264	\$ 431,500	\$ 411,241
Contributions in relations to the statutorily required contributions	452,552	440,264	431,500	411,241
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 57,036,532	\$ 54,791,753	\$ 53,578,488	\$ 53,503,293
Contributions as a percentage of covered payroll	0.79%	0.80%	0.81%	0.77%

* Only four years' worth of information is currently available.

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***SUPPLEMENTARY
INFORMATION***

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Fund 211 ESEA Title I Part A

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

Fund 224 IDEA Part B Formula

Funds to operate educational programs for children with disabilities.

Fund 225 IDEA Part B Preschool

Funds to operate educational programs for preschool children with disabilities.

Fund 226 IDEA Part B Supplement

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

Fund 240 National School Breakfast and Lunch Program

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

Fund 244 Career and Technical Basic Grant

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

Fund 255 ESEA Title II Part A

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

Fund 263 Title III Part A

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

Fund 266 Education Stabilization Fund

Funds granted through the Elementary and Secondary School Emergency Relief program under the CARES act for pandemic aid.

Fund 272 Medicaid Administration Claims

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

Fund 276 Instructional Continuity Grant

Funds for instructional continuity and administration costs.

Fund 277 Coronavirus Relief Fund

Funds granted through the CARES act.

Fund 289 Federally Funded Special Revenue

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

Fund 397 Advanced Placement Incentives

Funds to award campuses for advanced placement examinations.

Fund 410 State Instructional Materials

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

Fund 429 State Funded Special Revenue

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

Fund 461 Campus Activity

Funds for transactions related to the principals' activity funds.

Fund 481 La Porte Education Foundation

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

Fund 483 Local Grants and Donations

Funds from local businesses and grants for specific purposes.

Fund 484 SHAC-EKG Grant

Funds to allow EKGs for UIL student participants.

LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-1 (Page 1 of 3)

June 30, 2021

Data Control Codes	211 ESEA Title I Part A Imp. Basic Programs	224 IDEA Part B Formula	225 IDEA Part B Preschool	226 IDEA-B Supplement
<u>Assets</u>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	170,285	217,963	18,182
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories, at cost	-	-	-
1000	Total Assets	\$ 170,285	\$ 217,963	\$ 18,182
<u>Liabilities</u>				
2110	Accounts payable	\$ 5,136	\$ -	\$ -
2160	Accrued wages payable	27,967	46,167	1,152
2170	Due to other funds	137,182	171,796	17,030
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	170,285	217,963	18,182
<u>Fund Balances</u>				
3410	Nonspendable - inventories	-	-	-
3450	Restricted - grants	-	-	-
3520	Committed -			
3520	compensated absences	-	-	-
3545	Committed - student			
3545	achievement and safety	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balances	\$ 170,285	\$ 217,963	\$ 18,182

240 National Sch. Breakfast/ Lunch Program	244 Career and Technical Basic Grant	255 ESEA Title II Part A Training and Recruiting	263 Title III Part A English Language Acquisition	266 ESSER	272 Medicaid Administ. Claiming Program
\$ 12,835	\$ -	\$ -	\$ 829	\$ -	\$ -
255,568	6,137	22,870	6,283	116,684	45,319
2,357	-	-	-	-	-
-	-	-	-	-	-
45,942	-	-	-	-	-
<u>\$ 316,702</u>	<u>\$ 6,137</u>	<u>\$ 22,870</u>	<u>\$ 7,112</u>	<u>\$ 116,684</u>	<u>\$ 45,319</u>
\$ 6,117	\$ 4,326	\$ 431	\$ 1,836	\$ -	\$ -
57,166	-	5,977	-	37,320	2,512
14,282	1,811	16,462	5,276	79,364	8,513
-	-	-	-	-	-
76,266	-	-	-	-	-
<u>153,831</u>	<u>6,137</u>	<u>22,870</u>	<u>7,112</u>	<u>116,684</u>	<u>11,025</u>
45,942	-	-	-	-	-
90,759	-	-	-	-	34,294
26,170	-	-	-	-	-
-	-	-	-	-	-
<u>162,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,294</u>
<u>\$ 316,702</u>	<u>\$ 6,137</u>	<u>\$ 22,870</u>	<u>\$ 7,112</u>	<u>\$ 116,684</u>	<u>\$ 45,319</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-1 (Page 2 of 3)

June 30, 2021

Data Control Codes	276	277	289	397
	Instructional Continuity Grant	Coronavirus Relief	Federally Funded Special Rev.	Advanced Placement Incentives
<u>Assets</u>				
1110	\$ -	\$ -	\$ 167	\$ -
1240	-	-	23,961	-
1260	-	-	-	-
1290	-	-	-	-
1300	-	-	-	-
1000	Total Assets	Total Assets	Total Assets	Total Assets
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,128</u>	<u>\$ -</u>
<u>Liabilities</u>				
2110	\$ -	\$ -	\$ 300	\$ -
2160	-	-	15,462	-
2170	-	-	8,199	-
2180	-	-	-	-
2300	-	-	167	-
2000	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities
	<u>-</u>	<u>-</u>	<u>24,128</u>	<u>-</u>
<u>Fund Balances</u>				
3410	-	-	-	-
3450	-	-	-	-
3520	-	-	-	-
3520	-	-	-	-
3545	-	-	-	-
3545	-	-	-	-
3000	Total Fund Balances	Total Fund Balances	Total Fund Balances	Total Fund Balances
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,128</u>	<u>\$ -</u>

410	429	461	481	483	484
State Instructional Materials	State Funded Special Revenue	Campus Activity	La Porte Education Foundation	Local Grants and Donations	SHAC-EKG Grant
\$ 49,827	\$ 3,920,080	\$ 471,587	\$ 33,387	\$ 49,396	\$ 2,290
669	-	-	-	-	-
-	-	-	-	-	-
-	-	13,543	-	1,128	-
-	-	1,506	-	-	-
<u>\$ 50,496</u>	<u>\$ 3,920,080</u>	<u>\$ 486,636</u>	<u>\$ 33,387</u>	<u>\$ 50,524</u>	<u>\$ 2,290</u>
\$ -	\$ 16,483	\$ 43,714	\$ -	\$ -	\$ -
-	-	1,715	-	-	-
-	-	165	-	-	-
-	-	48	-	-	-
50,496	15,724	13,543	30,192	-	-
<u>50,496</u>	<u>32,207</u>	<u>59,185</u>	<u>30,192</u>	<u>-</u>	<u>-</u>
-	-	1,506	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,887,873	425,945	3,195	50,524	2,290
-	<u>3,887,873</u>	<u>427,451</u>	<u>3,195</u>	<u>50,524</u>	<u>2,290</u>
<u>\$ 50,496</u>	<u>\$ 3,920,080</u>	<u>\$ 486,636</u>	<u>\$ 33,387</u>	<u>\$ 50,524</u>	<u>\$ 2,290</u>

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LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-1 (Page 3 of 3)

June 30, 2021

<u>Data Control Codes</u>		<u>Total Nonmajor Special Revenue Funds (See Exhibit C- 1)</u>
	<u>Assets</u>	
1110	Cash and cash equivalents	\$ 4,540,398
1240	Due from other governments	1,117,870
1260	Due from other funds	2,357
1290	Other receivables	14,671
1300	Inventories	47,448
1000	Total Assets	\$ 5,722,744
	<u>Liabilities</u>	
2110	Accounts payable	\$ 78,343
2160	Accrued wages payable	195,438
2170	Due to other funds	694,029
2180	Due to other governments	48
2300	Unearned revenue	186,388
2000	Total Liabilities	1,154,246
	<u>Fund Balances</u>	
3410	Nonspendable - inventories	47,448
3450	Restricted - grants	125,053
3520	Committed -	
3520	compensated absences	26,170
3545	Committed - student	
3545	achievement and safety	4,369,827
3000	Total Fund Balances	4,568,498
4000	Total Liabilities and Fund Balances	\$ 5,722,744

LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-2 (Page 1 of 3)

For the Year Ended June 30, 2021

Data Control Codes		211 ESEA Title I Part A Imp. Basic Programs	224 IDEA Part B Formula	225 IDEA Part B Preschool	226 IDEA-B Supplement
Revenues					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	1,251,756	1,348,572	44,217	233,949
5020	Total Revenues	<u>1,251,756</u>	<u>1,348,572</u>	<u>44,217</u>	<u>233,949</u>
Expenditures					
0011	Instruction	999,240	66,639	44,217	51,435
0012	Instructional resources and media services	443	-	-	-
0013	Curriculum and instructional staff development	53,441	-	-	-
0021	Instructional leadership	6,960	114,504	-	-
0023	School leadership	12,245	-	-	-
0031	Guidance, counseling, and evaluation services	19,563	1,035,437	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	182,514
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	138,795	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	21,069	-	-	-
Intergovernmental:					
0093	Shared service arrangements	-	131,992	-	-
6030	Total Expenditures	<u>1,251,756</u>	<u>1,348,572</u>	<u>44,217</u>	<u>233,949</u>
1200	Net Change in Fund Balances	-	-	-	-
0100	Beginning fund balances	-	-	-	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240 National Sch. Breakfast/ Lunch Program	244 Career and Technical Basic Grant	255 ESEA Title II Part A Training and Recruiting	263 Title III Part A English Language Acquisition	266 ESSER	272 Medicaid Administ. Claiming Program
\$ 313,160	\$ -	\$ -	\$ -	\$ -	\$ -
18,641	-	-	-	-	-
3,088,850	87,046	233,077	78,591	1,162,895	74,844
<u>3,420,651</u>	<u>87,046</u>	<u>233,077</u>	<u>78,591</u>	<u>1,162,895</u>	<u>74,844</u>
-	86,946	-	62,710	1,162,895	61,755
-	-	-	-	-	-
-	100	186,445	10,597	-	-
-	-	-	-	-	-
-	-	4,730	-	-	-
-	-	40,912	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,601,671	-	-	-	-	-
-	-	-	-	-	-
-	-	990	-	-	-
40,425	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,284	-	-
-	-	-	-	-	-
<u>3,642,096</u>	<u>87,046</u>	<u>233,077</u>	<u>78,591</u>	<u>1,162,895</u>	<u>61,755</u>
(221,445)	-	-	-	-	13,089
384,316	-	-	-	-	21,205
<u>\$ 162,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,294</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-2 (Page 2 of 3)

For the Year Ended June 30, 2021

Data Control Codes	276	277	289	397
	Instructional Continuity Grant	Coronavirus Relief	Federally Funded Special Rev.	Advanced Placement Incentives
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	743
5900	Federal program revenues	17,500	26,125	-
5020	Total Revenues	<u>17,500</u>	<u>26,125</u>	<u>743</u>
Expenditures				
0011	Instruction	16,852	-	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	743
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	648	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	43,101
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	26,125	-
0061	Community services	-	-	25,682
Intergovernmental:				
0093	Shared service arrangements	-	-	-
6030	Total Expenditures	<u>17,500</u>	<u>26,125</u>	<u>743</u>
1200	Net Change in Fund Balances	-	-	-
0100	Beginning fund balances	-	-	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

410	429	461	481	483	484
State Instructional Materials	State Funded Special Revenue	Campus Activity	La Porte Education Foundation	Local Grants and Donations	SHAC-EKG Grant
\$ -	\$ -	\$ 347,288	\$ 125,384	\$ 24,628	\$ 6,195
210,126	244,199	-	-	-	-
-	-	-	-	-	-
<u>210,126</u>	<u>244,199</u>	<u>347,288</u>	<u>125,384</u>	<u>24,628</u>	<u>6,195</u>
209,831	140,962	61,673	125,383	20,620	-
-	-	7,267	-	-	-
295	1,000	843	-	-	-
-	-	-	-	-	-
-	-	14,551	-	-	-
-	66,743	-	-	35,115	-
-	6,725	-	-	-	-
-	-	-	-	375	-
-	-	554	-	-	-
-	-	-	-	-	-
-	-	257,838	-	-	7,248
-	-	501	-	-	-
-	-	908	-	-	-
-	33,906	79	-	-	-
-	-	260	-	-	-
-	-	204	-	1,000	-
-	-	-	-	-	-
<u>210,126</u>	<u>249,336</u>	<u>344,678</u>	<u>125,383</u>	<u>57,110</u>	<u>7,248</u>
-	(5,137)	2,610	1	(32,482)	(1,053)
-	3,893,010	424,841	3,194	83,006	3,343
<u>\$ -</u>	<u>\$ 3,887,873</u>	<u>\$ 427,451</u>	<u>\$ 3,195</u>	<u>\$ 50,524</u>	<u>\$ 2,290</u>

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LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS - EXIBHIT H-2 (Page 3 of 3)

For the Year Ended June 30, 2021

<u>Data Control Codes</u>		<u>Total Nonmajor Special Revenue Funds (See Exhibit C- 2)</u>
	<u>Revenues</u>	
5700	Local, intermediate, and out-of-state	\$ 816,655
5800	State program revenues	473,709
5900	Federal program revenues	7,944,018
5020	Total Revenues	<u>9,234,382</u>
	<u>Expenditures</u>	
0011	Instruction	3,146,494
0012	Instructional resources	
0012	and media services	7,710
0013	Curriculum and instructional	
0013	staff development	253,464
0021	Instructional leadership	121,464
0023	School leadership	31,526
0031	Guidance, counseling,	
0031	and evaluation services	1,390,895
0032	Social work services	6,725
0033	Health services	375
0034	Student transportation	183,068
0035	Food service	3,601,671
0036	Extracurricular activities	265,086
0041	General administration	1,491
0051	Plant maintenance and operations	84,434
0052	Security and monitoring services	172,780
0053	Data processing services	26,385
0061	Community services	53,239
	<u>Intergovernmental:</u>	
0093	Shared service arrangements	131,992
6030	Total Expenditures	<u>9,478,799</u>
1200	Net Change in Fund Balances	(244,417)
0100	Beginning fund balances	4,812,915
3000	Ending Fund Balances	<u>\$ 4,568,498</u>

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NONMAJOR INTERNAL SERVICE FUNDS

Internal Service Funds

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

Fund 711 Child Care

Transactions related to the operation of a District child care center.

Fund 752 Print Shop

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

Fund 753 Workers' Compensation

Transactions related to self-insurance for workers' compensation.

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LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUNDS - EXHIBIT H-3

June 30, 2021

Data Control Codes	711	752	753	Total Internal Service Funds
	<u>Child Care</u>	<u>Print Shop</u>	<u>Workers' Compensation</u>	
<u>Assets</u>				
Current assets:				
1110	\$ -	\$ 5,591	\$ 2,620,498	\$ 2,626,089
1260	-	-	59,871	59,871
1290	12,605	-	-	12,605
1300	-	25,701	-	25,701
1410	9,500	889	-	10,389
1000	Total Assets	22,105	2,680,369	2,734,655
<u>Liabilities</u>				
2110	-	22,624	-	22,624
2170	22,105	-	-	22,105
2180	-	16	-	16
2200	-	-	465,596	465,596
2000	Total Liabilities	22,105	465,596	510,341
<u>Net Position</u>				
3900	-	9,541	2,214,773	2,224,314
3000	Total Net Position	\$ 9,541	\$ 2,214,773	\$ 2,224,314

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LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - PROPRIETARY FUNDS - EXHIBIT H-4
For the Year Ended June 30, 2021

Data Control Codes		711	752	753	Total Internal Service Funds
		Child Care	Print Shop	Workers' Compensation	
<u>Operating Revenues</u>					
5700	Charges for services	\$ 271,398	\$ 105,122	\$ 686,954	\$ 1,063,474
5020	Total Operating Revenues	<u>271,398</u>	<u>105,122</u>	<u>686,954</u>	<u>1,063,474</u>
<u>Operating Expenses</u>					
6100	Payroll costs	439,026	24,229	-	463,255
6200	Professional and contracted services	10	57,179	367,740	424,929
6300	Supplies and materials	4,948	29,428	-	34,376
6400	Other operating expense	34,227	41	-	34,268
6030	Total Operating Expenses	<u>478,211</u>	<u>110,877</u>	<u>367,740</u>	<u>956,828</u>
	Operating Income (Loss)	<u>(206,813)</u>	<u>(5,755)</u>	<u>319,214</u>	<u>106,646</u>
<u>Nonoperating Revenues</u>					
7020	Earnings on investments	-	-	3,881	3,881
8030	Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>3,881</u>	<u>3,881</u>
	Income (Loss) Before Transfers	<u>(206,813)</u>	<u>(5,755)</u>	<u>323,095</u>	<u>110,527</u>
7915	Transfers in	<u>206,813</u>	<u>-</u>	<u>-</u>	<u>206,813</u>
1300	Change in Net Position	<u>-</u>	<u>(5,755)</u>	<u>323,095</u>	<u>317,340</u>
0100	Beginning net position	<u>-</u>	<u>15,296</u>	<u>1,891,678</u>	<u>1,906,974</u>
3300	Ending Net Position	<u>\$ -</u>	<u>\$ 9,541</u>	<u>\$ 2,214,773</u>	<u>\$ 2,224,314</u>

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LA PORTE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS - EXHIBIT H-5

For the Year Ended June 30, 2021

	711	752	753	
	<u>Child Care</u>	<u>Print Shop</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>				
Cash received from user charges	\$ 271,398	\$ 105,122	\$ 686,954	\$ 1,063,474
Cash payments for insurance claims	-	-	(290,915)	(290,915)
Cash payments for other operating expenses	(478,211)	(99,531)	-	(577,742)
Net Cash Provided (Used) by Operating Activities	<u>(206,813)</u>	<u>5,591</u>	<u>396,039</u>	<u>194,817</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Operating subsidies and transfers	206,813	-	-	206,813
Net Cash Provided by Noncapital Financing Activities	<u>206,813</u>	<u>-</u>	<u>-</u>	<u>206,813</u>
<u>Cash Flows from Investing Activities</u>				
Proceeds from earnings on investments	-	-	3,881	3,881
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>3,881</u>	<u>3,881</u>
Net Increase in Cash and Cash Equivalents	-	5,591	399,920	405,511
Cash and cash equivalents, beginning of year	-	-	2,220,578	2,220,578
Ending Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 5,591</u>	<u>\$ 2,620,498</u>	<u>\$ 2,626,089</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (206,813)	\$ (5,755)	\$ 319,214	\$ 106,646
Effect of Increases and Decreases in Current Assets and Liabilities				
(Increase) decrease in due from other funds	-	34	1,219	1,253
(Increase) in other receivables	(12,605)	-	-	(12,605)
Decrease in inventory	-	6,776	-	6,776
(Increase) decrease in prepaid items	(4,710)	(35)	-	(4,745)
Increase in accounts payable	-	21,455	-	21,455
Increase (decrease) in due to other funds	17,315	(16,897)	-	418
(Decrease) in due to other governments	-	13	-	13
(Decrease) in accrued liabilities	-	-	75,606	75,606
Net Cash Provided (Used) by Operating Activities	<u>\$ (206,813)</u>	<u>\$ 5,591</u>	<u>\$ 396,039</u>	<u>\$ 194,817</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE - EXHIBIT J-1

For the Year Ended June 30, 2021

Last Ten Years	Tax Rates		3 Net Assessed/ Appraised Value For School Tax Purposes
	1	2	
	Maintenance	Debt Service	
2012 and prior	Various	Various	Various
2013	\$ 1.0400	\$ 0.2900	\$ 6,208,701,705
2014	\$ 1.0400	\$ 0.2900	\$ 6,601,456,565
2015	\$ 1.0400	\$ 0.4100	\$ 7,047,165,791
2016	\$ 1.0400	\$ 0.4100	\$ 8,118,723,905
2017	\$ 1.0400	\$ 0.3800	\$ 9,431,612,882
2018	\$ 1.0400	\$ 0.3400	\$ 9,820,930,163
2019	\$ 1.1700	\$ 0.2100	\$ 10,199,854,026
2020	\$ 1.0400	\$ 0.2400	\$ 10,311,631,951
2021	\$ 1.0397	\$ 0.2300	\$ 11,225,134,047

1000 Totals

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

10	20	31	32	40	50
Beginning Balance 7/1/20	Current Year's Total Levy	Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 6/30/21
\$ 299,656	\$ -	\$ 23,439	\$ 4,093	\$ 84,667	\$ 187,457
83,474	-	1,592	444	1,084	80,354
94,004	-	5,737	1,599	732	85,936
134,736	-	8,181	3,226	2,857	120,472
222,627	-	10,793	4,256	6,935	200,643
181,450	-	12,974	4,740	4,489	159,247
26,938	-	(136,338)	(44,572)	13,519	194,329
600,858	-	90,543	16,251	217,744	276,320
1,604,606	-	(56,128)	(12,953)	1,386,122	287,565
-	142,525,527	113,248,677	27,485,275	-	1,791,575
<u>\$ 3,248,349</u>	<u>\$ 142,525,527</u>	<u>\$ 113,209,470</u>	<u>\$ 27,462,359</u>	<u>\$ 1,718,149</u>	<u>\$ 3,383,898</u>
		<u>\$ 4,141,276</u>	<u>\$ -</u>		

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LA PORTE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM FUND - EXHIBIT J-2
For the Year Ended June 30, 2021

Data Control Codes		1		2		3		Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual				
		Original	Final					
Revenues								
5700	Local, intermediate, and out-of-state	\$ 1,404,500	\$ 1,404,500	\$ 313,160		\$ (1,091,340)		
5800	State program revenues	24,000	24,000	18,641		(5,359)		
5900	Federal program revenues	2,786,711	2,786,711	3,088,850		302,139		
5020	Total Revenues	<u>4,215,211</u>	<u>4,215,211</u>	<u>3,420,651</u>		<u>(794,560)</u>		
Expenditures								
0035	Food service	4,803,383	4,803,383	3,601,671		1,201,712		
0051	Plant maintenance and operations	54,650	54,650	40,425		14,225		
6030	Total Expenditures	<u>4,858,033</u>	<u>4,858,033</u>	<u>3,642,096</u>		<u>1,215,937</u>		
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(642,822)</u>	<u>(642,822)</u>	<u>(221,445)</u>		<u>421,377</u>		
Other Financing Sources								
7990	Transfers in	482,218	482,218	-		(482,218)		
7080	Total Other Financing Sources	<u>482,218</u>	<u>482,218</u>	<u>-</u>		<u>(482,218)</u>		
1200	Net Change in Fund Balance	(160,604)	(160,604)	(221,445)		(60,841)		
0100	Beginning fund balance	384,316	384,316	384,316		-		
3000	Ending Fund Balance	<u>\$ 223,712</u>	<u>\$ 223,712</u>	<u>\$ 162,871</u>		<u>\$ (60,841)</u>		

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LA PORTE INDEPENDENT SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND - EXHIBIT J-3

For the Year Ended June 30, 2021

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)	
		Budgeted Amounts			Actual	
		Original	Final			
Revenues						
5700	Local, intermediate, and out-of-state	\$ 28,744,815	\$ 28,744,815	\$ 27,682,790	\$ (1,062,025)	
5800	State program revenues	-	-	215,852	215,852	
5020	Total Revenues	28,744,815	28,744,815	27,898,642	(846,173)	
Expenditures						
0071	Principal	15,340,000	15,340,000	15,340,000	-	
0072	Interest	13,187,399	14,616,436	14,616,435	1	
0073	Bond issuance costs and fees	20,000	332,263	795,884	(463,621) *	
6030	Total Expenditures	28,547,399	30,288,699	30,752,319	(463,620)	
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	197,416	(1,543,884)	(2,853,677)	(1,309,793)	
Other Financing Sources						
7911	Issuance of bonds	-	76,415,000	76,415,000	-	
7916	Premium/discount on issuance of bonds	-	10,702,520	11,178,891	476,371	
8940	Payment to bond escrow agent	-	(86,805,257)	(86,805,257)	-	
7080	Total Other Financing Uses	-	312,263	788,634	476,371	
1200	Net Change in Fund Balance	197,416	(1,231,621)	(2,065,043)	(833,422)	
0100	Beginning fund balance	9,543,909	9,543,909	9,543,909	-	
3000	Ending Fund Balance	\$ 9,741,325	\$ 8,312,288	\$ 7,478,866	\$ (833,422)	

* Expenditures exceeded appropriations at the legal level of control.

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LA PORTE INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS REPORT

FOR SELECT STATE ALLOTMENT PROGRAMS- EXHIBIT J-4

For the Year Ended June 30, 2021

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the District have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 5,594,332
AP4	List the actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 4,519,277
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your District expend any biligual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the District have written policies and procedures for biligual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the District's fiscal year.	\$ 425,159
AP8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 552,070

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the District's overall financial health.

Contents	Page
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Financial Trends	132
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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity	142
------------------	-----

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

Debt Capacity	152
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These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information	158
--------------------------------------	-----

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

Operating Information	161
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These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT - EXHIBIT L-1

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	\$ 59,397,384	\$ 61,780,754	\$ 49,715,550	\$ 44,176,078
Restricted	4,044,889	5,177,592	7,899,261	8,586,196
Unrestricted	14,213,315	7,598,907	13,511,147	10,206,293
Total Governmental Activities Net Position	\$ 77,655,588	\$ 74,557,253	\$ 71,125,958	\$ 62,968,567
Primary Government				
Net investment in capital assets	\$ 59,397,384	\$ 61,780,754	\$ 49,715,550	\$ 44,176,078
Restricted	4,044,889	5,177,592	7,899,261	8,586,196
Unrestricted	14,213,315	7,598,907	13,511,147	10,206,293
Total Primary Government Net Position	\$ 77,655,588	\$ 74,557,253	\$ 71,125,958	\$ 62,968,567

Source: La Porte Independent School District's Audit Reports

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 35,725,150	\$ 33,311,721	\$ 30,910,969	\$ 31,956,441	\$ 27,121,161	\$ 18,621,618
11,272,475	11,551,291	14,810,662	6,796,928	8,785,778	3,782,757
22,800,483	22,128,205	(8,714,372)	(5,027,574)	5,182,104	6,544,444
<u>\$ 69,798,108</u>	<u>\$ 66,991,217</u>	<u>\$ 37,007,259</u>	<u>\$ 33,725,795</u>	<u>\$ 41,089,043</u>	<u>\$ 28,948,819</u>
\$ 35,725,150	\$ 33,311,721	\$ 30,910,969	\$ 31,956,441	\$ 27,121,161	\$ 18,621,618
11,272,475	11,551,291	14,810,662	6,796,928	8,785,778	3,782,757
22,800,483	22,128,205	(8,714,372)	(5,027,574)	5,182,104	6,544,444
<u>\$ 69,798,108</u>	<u>\$ 66,991,217</u>	<u>\$ 37,007,259</u>	<u>\$ 33,725,795</u>	<u>\$ 41,089,043</u>	<u>\$ 28,948,819</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

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

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities				
Instruction	\$ 41,910,445	\$ 41,356,893	\$ 42,995,224	\$ 44,530,011
Instructional resources and media services	727,755	501,443	482,710	484,361
Curriculum and staff development	585,541	641,689	734,170	1,282,550
Instructional leadership	994,257	1,142,625	1,170,527	839,282
School leadership	3,625,048	3,681,792	3,913,052	3,991,291
Guidance, counseling, and evaluation services	2,130,352	2,253,409	2,456,356	2,574,355
Social work services	162,220	165,195	195,190	204,158
Health services	745,019	691,172	736,101	813,607
Student transportation	2,855,000	3,078,612	3,109,273	3,422,132
Food service	3,750,711	3,821,034	3,879,868	4,001,664
Cocurriculum/extracurricular activities	1,889,910	1,863,511	2,130,598	2,171,413
General administration	3,127,086	2,946,863	3,103,491	2,949,663
Plant maintenance and operations	9,276,851	10,146,172	10,193,730	9,929,472
Security and monitoring services	548,739	519,364	542,011	524,177
Data processing services	2,614,906	2,584,811	2,518,335	3,736,801
Community services	60,520	52,049	68,500	75,006
Interest on long-term debt	8,787,513	8,788,707	8,474,442	12,548,106
Facilities repairs and maintenance	784,746	232,769	73,997	9,506
Contracted instructional services	17,321,383	16,808,844	17,754,454	20,877,309
Bond issuance costs & fees	-	-	-	-
Payments related to SSAs	87,265	99,000	120,968	130,571
Payments to juvenile justice alternative ed. programs	19,620	19,620	19,620	19,800
Payments to tax increment fund	934,600	877,868	1,253,630	1,407,985
Other intergovernmental charges	655,091	660,402	661,254	788,330
Total Governmental Activities Expenses	103,594,578	102,933,844	106,587,501	117,311,550
Program Revenues				
Governmental activities				
Charges for services				
Instruction	20,509	53,863	36,253	31,727
Student transportation	-	-	-	-
Food services	1,765,220	1,705,036	1,664,048	1,664,582
Extracurricular	155,870	134,466	106,928	119,255
General administration	-	-	-	-
Plant maintenance and operations	58,838	114,583	98,187	73,480
Operating grants and contributions	10,022,070	9,441,913	10,043,558	9,702,933
Total Governmental Activities Program Revenues	12,022,507	11,449,861	11,948,974	11,591,977
Net (Expense)				
Governmental activities	\$ (91,572,071)	\$ (91,483,983)	\$ (94,638,527)	\$ (105,719,573)
Total Primary Government Net (Expense)	\$ (91,572,071)	\$ (91,483,983)	\$ (94,638,527)	\$ (105,719,573)

Fiscal Year

	2016	2017	2018	2019	2020	2021
\$	49,759,289	\$ 52,296,542	\$ 38,856,109	\$ 58,059,849	\$ 61,008,278	\$ 59,499,677
	458,306	454,722	348,770	371,144	383,664	364,753
	1,329,946	1,025,854	693,000	985,087	941,971	1,141,627
	925,493	1,025,658	615,858	1,155,213	1,229,030	1,134,417
	4,302,695	4,374,173	2,853,808	4,852,010	5,132,269	5,119,390
	2,887,377	2,997,386	1,824,276	3,960,798	4,237,356	4,131,751
	207,172	231,094	228,045	268,286	247,234	279,879
	839,418	875,217	591,858	1,002,204	994,588	985,641
	3,619,700	3,024,166	2,383,859	3,068,613	3,085,934	3,520,314
	4,269,781	4,517,973	3,250,726	4,567,997	4,069,215	3,786,927
	2,374,697	2,320,363	2,122,573	2,726,363	2,614,667	2,595,396
	3,255,560	3,155,391	2,707,853	3,339,518	3,688,217	3,380,066
	11,431,976	10,633,698	10,070,631	11,491,142	11,457,636	12,261,399
	551,098	1,300,140	1,243,185	1,933,772	1,813,636	2,060,554
	3,899,246	3,577,687	2,435,287	2,896,056	3,903,305	3,281,911
	39,369	38,258	20,614	28,609	66,847	144,481
	14,074,233	13,762,377	13,000,225	12,473,266	11,548,802	23,459,261
	44,521	29,396	8,000	8,000	-	-
	24,531,648	31,237,688	33,224,648	46,925,331	41,571,997	48,381,443
	-	-	-	-	236,690	795,884
	118,619	108,101	111,516	128,845	171,317	161,730
	19,800	19,800	19,800	59,400	59,400	59,400
	1,671,451	2,054,938	1,141,045	2,779,617	3,810,140	4,141,276
	886,598	964,114	993,774	1,037,446	1,068,592	1,099,268
	<u>131,497,993</u>	<u>140,024,736</u>	<u>118,745,460</u>	<u>164,118,566</u>	<u>163,340,785</u>	<u>181,786,445</u>
	36,083	100,103	91,553	163,919	114,561	84,877
	-	-	-	1,411	211	554
	1,549,946	1,467,338	1,113,247	1,303,054	939,988	313,160
	115,921	146,275	102,690	290,255	333,992	257,838
	-	-	-	6,618	92	501
	70,918	72,836	74,181	1,403	551	908
	<u>11,674,605</u>	<u>10,009,652</u>	<u>(4,549,099)</u>	<u>9,574,383</u>	<u>9,666,866</u>	<u>10,214,299</u>
	<u>13,447,473</u>	<u>11,796,204</u>	<u>(3,167,428)</u>	<u>11,341,043</u>	<u>11,056,261</u>	<u>10,872,137</u>
	<u>\$ (118,050,520)</u>	<u>\$ (128,228,532)</u>	<u>\$ (121,912,888)</u>	<u>\$ (152,777,523)</u>	<u>\$ (152,284,524)</u>	<u>\$ (170,914,308)</u>
	<u>\$ (118,050,520)</u>	<u>\$ (128,228,532)</u>	<u>\$ (121,912,888)</u>	<u>\$ (152,777,523)</u>	<u>\$ (152,284,524)</u>	<u>\$ (170,914,308)</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

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

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Revenues				
Governmental activities				
Property taxes				
Levied for general purposes	\$ 62,322,911	\$ 63,383,117	\$ 67,863,048	\$ 79,067,056
Levied for debt service	18,615,934	18,932,619	20,270,780	23,617,432
Investment earnings	139,912	134,986	96,660	90,049
Unrestricted grants and contributions	20,407,945	4,772,137	3,182,174	3,286,104
Miscellaneous	1,068,263	1,162,789	1,576,588	2,351,123
Transfers	(61,182)	-	-	(2,500)
Special items	(113,453)	-	-	-
Total Governmental Activities	<u>\$ 102,380,330</u>	<u>\$ 88,385,648</u>	<u>\$ 92,989,250</u>	<u>\$ 108,409,264</u>
Changes in Net Position				
Governmental activities	\$ 10,808,259	\$ (3,098,335)	\$ (1,649,277)	\$ 2,689,691
Implementation of GASB 68/71/75	-	-	(1,782,018)	(10,847,082)
Total Primary Government	<u>\$ 10,808,259</u>	<u>\$ (3,098,335)</u>	<u>\$ (3,431,295)</u>	<u>\$ (8,157,391)</u>

Source: La Porte Independent School District's Audit Reports

Fiscal Year

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 85,819,764	\$ 94,533,779	\$ 96,468,292	\$ 105,918,780	\$ 105,161,625	\$ 114,501,149
33,374,353	35,688,808	32,937,911	21,204,806	26,805,586	27,673,548
488,351	897,470	1,238,456	1,829,958	1,374,315	238,711
3,046,813	5,962,210	5,701,540	11,823,223	18,959,584	7,903,262
2,257,067	2,853,468	1,066,686	5,987,237	6,670,886	8,457,414
-	-	-	-	-	-
(106,287)	(14,514,094)	-	2,732,055	675,776	-
<u>\$ 124,880,061</u>	<u>\$ 125,421,641</u>	<u>\$ 137,412,885</u>	<u>\$ 149,496,059</u>	<u>\$ 159,647,772</u>	<u>\$ 158,774,084</u>
\$ 6,829,541	\$ (2,806,891)	\$ 15,499,997	\$ (3,281,464)	\$ 7,363,248	\$ (12,140,224)
-	-	(45,483,955)	-	-	-
<u>\$ 6,829,541</u>	<u>\$ (2,806,891)</u>	<u>\$ (29,983,958)</u>	<u>\$ (3,281,464)</u>	<u>\$ 7,363,248</u>	<u>\$ (12,140,224)</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS - EXHIBIT L-3

Last Ten Years

(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 83,910	\$ 1,612,141	\$ 1,320,438	\$ 1,081,967
Committed	1,931,661	2,016,430	2,059,320	2,177,197
Assigned	44,651	-	-	-
Unassigned	33,127,599	29,565,826	27,436,294	25,053,340
Total General Fund	\$ 35,187,821	\$ 33,194,397	\$ 30,816,052	\$ 28,312,504
All Other Governmental Funds				
Nonspendable				
Inventories	\$ 53,679	\$ 48,189	\$ 25,697	\$ 51,812
Prepaid items	56,751	56,924	57,768	567,936
Restricted				
Grant funds	1,438,989	1,666,962	1,888,968	2,043,567
Capital acquisitions	20,684,431	12,691,463	8,195,876	87,578,978
Retirement of long-term debt	5,284,442	6,407,019	8,774,566	10,236,018
Committed				
Compensated absences	-	-	-	-
Local special revenue	5,123,908	4,595,283	4,603,191	4,387,056
Total All Other Governmental Funds	\$ 32,642,200	\$ 25,465,840	\$ 23,546,066	\$ 104,865,367

Source: La Porte Independent School District's Audit Reports

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 1,055,954	\$ 1,008,312	\$ 1,310,465	\$ 1,330,676	\$ 1,577,904	\$ 1,786,748
2,215,787	1,986,505	2,067,367	2,156,054	2,214,153	2,191,023
-	-	35,828	-	-	-
25,827,182	30,245,650	31,494,926	36,869,997	50,595,041	51,817,899
<u>\$ 29,098,923</u>	<u>\$ 33,240,467</u>	<u>\$ 34,908,586</u>	<u>\$ 40,356,727</u>	<u>\$ 54,387,098</u>	<u>\$ 55,795,670</u>
\$ 32,204	\$ 22,999	\$ 14,580	\$ 39,584	\$ 109,202	\$ 55,166
291,682	96,400	63,389	53,021	64,673	203,304
1,775,411	1,437,143	1,103,082	897,476	300,162	125,053
97,351,152	31,925,319	14,652,235	9,413,335	32,198,068	27,134,154
14,209,608	14,883,619	18,245,027	10,817,405	9,543,909	7,478,866
29,415	26,820	29,746	25,177	26,516	26,170
4,390,052	4,342,599	4,335,639	4,429,631	4,405,387	4,369,827
<u>\$ 118,079,524</u>	<u>\$ 52,734,899</u>	<u>\$ 38,443,698</u>	<u>\$ 25,675,629</u>	<u>\$ 46,647,917</u>	<u>\$ 39,392,540</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

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

Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Local and intermediate sources	\$ 84,896,434	\$ 86,324,262	\$ 92,060,038	\$ 106,967,548
State program revenues	19,455,261	6,882,569	6,240,932	6,380,373
Federal program revenues	7,216,160	6,784,709	6,417,978	6,598,936
Total Revenues	111,567,855	99,991,540	104,718,948	119,946,857
Expenditures				
Instruction	38,257,864	36,703,186	37,956,249	39,983,002
Instructional resources and media services	727,947	499,708	481,502	483,055
Curriculum and staff development	586,159	641,380	730,821	1,279,256
Instructional leadership	997,049	1,134,434	1,164,769	811,019
School leadership	3,633,863	3,668,061	3,913,097	4,041,551
Guidance, counseling, and evaluation services	2,137,025	2,249,211	2,447,110	2,592,682
Social work services	162,440	164,796	194,897	206,208
Health services	747,347	691,033	736,770	818,826
Student transportation	3,804,994	2,835,617	2,921,010	4,518,528
Food service	3,862,600	3,870,741	4,312,726	3,880,325
Cocurriculum/extracurricular activities	1,531,135	1,490,065	1,476,177	1,488,549
General administration	2,733,142	2,922,056	2,993,062	2,874,950
Plant maintenance and operations	8,942,257	9,627,818	9,695,257	9,903,980
Security and monitoring services	550,351	519,360	542,059	524,607
Data processing services	2,817,503	2,249,310	2,119,760	3,519,556
Community services	55,661	46,876	62,092	69,503
Principal on long-term debt	7,725,000	8,210,000	8,255,000	17,570,000
Interest on long-term debt	9,787,163	8,653,933	8,748,930	10,378,396
Bond issuance costs and fees	405,182	4,850	4,850	1,617,541
Capital outlay	1,926,056	4,513,155	451,003	23,065,236
Other intergovernmental charges	19,017,959	18,465,734	19,809,926	23,223,995
Total Expenditures	110,408,697	109,161,324	109,017,067	152,850,765
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,159,158	(9,169,784)	(4,298,119)	(32,903,908)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	-	73,850,000
Capital-related debt issued (regular bonds)	40,685,000	-	-	99,675,000
Sale of real or personal property	-	-	-	-
Extraordinary item - insurance recovery	3,040,289	-	-	-
Transfers in	-	-	-	2,623
Premium or discount on issuance of bonds	4,008,196	-	-	18,587,626
Transfer out	(61,182)	-	-	(5,123)
Other uses	(51,297,093)	-	-	(80,390,465)
Total Other Financing Sources (Uses)	(3,624,790)	-	-	111,719,661
Net Change in Fund Balances	\$ (2,465,632)	\$ (9,169,784)	\$ (4,298,119)	\$ 78,815,753
Debt service as a percentage of noncapital expenditures*	16.52%	16.12%	15.67%	22.78%

* The ratio of debt service expenditures to noncapital expenditures is calculated using total expenditures from the schedule above less capital outlay from the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

Source: La Porte Independent School District's Audit Reports

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 123,940,130	\$ 136,414,687	\$ 134,069,758	\$ 137,172,176	\$ 142,328,632	\$ 148,908,331
6,539,522	7,832,361	8,321,677	9,723,516	17,679,008	8,592,823
6,275,753	6,533,129	7,294,080	8,695,464	7,427,546	10,856,726
<u>136,755,405</u>	<u>150,780,177</u>	<u>149,685,515</u>	<u>155,591,156</u>	<u>167,435,186</u>	<u>168,357,880</u>
42,725,036	42,649,201	44,431,254	44,116,535	46,010,402	47,780,818
449,017	455,095	452,218	355,043	363,370	358,681
1,276,907	1,018,560	926,444	923,521	862,801	1,122,137
892,790	1,015,259	1,048,954	1,028,291	1,070,943	1,082,000
4,109,820	4,331,402	4,443,357	4,505,331	4,686,767	5,008,914
2,770,528	2,892,230	3,200,710	3,550,004	3,709,103	4,001,694
207,178	231,422	248,452	264,097	241,850	278,554
821,738	863,729	898,597	927,539	898,792	961,480
3,254,781	2,880,812	2,793,250	3,010,915	3,650,241	3,276,342
4,170,770	4,265,215	4,058,859	4,218,728	3,653,925	3,601,671
1,569,493	1,566,840	1,882,915	1,926,045	1,783,221	1,873,796
3,077,179	3,076,752	3,310,708	3,123,268	3,485,305	3,321,195
11,271,596	10,085,701	10,926,378	10,995,172	10,597,227	11,660,891
550,551	1,296,131	1,427,474	2,384,135	1,725,488	2,016,653
4,203,028	3,175,788	2,365,772	2,410,775	3,442,002	2,984,787
32,944	38,184	20,632	28,591	46,655	64,400
17,365,000	20,355,000	15,530,000	15,465,000	15,385,000	15,340,000
13,248,523	14,796,017	14,554,292	13,862,199	13,141,060	14,616,435
1,529,646	8,750	8,000	8,000	236,690	795,884
103,801,648	62,596,529	14,289,548	1,609,311	1,592,675	797,057
27,228,116	34,384,641	35,490,783	50,930,639	46,681,446	53,843,117
<u>244,556,289</u>	<u>211,983,258</u>	<u>162,308,597</u>	<u>165,643,139</u>	<u>163,264,963</u>	<u>174,786,506</u>
(107,800,884)	(61,203,081)	(12,623,082)	(10,051,983)	4,170,223	(6,428,626)
115,930,000	-	-	-	-	76,415,000
21,620,711	-	-	-	26,550,000	-
-	-	-	2,732,055	824,770	-
-	-	-	-	-	-
-	6,300	8,517	2,450	11,550	-
8,101,456	-	-	-	3,682,441	11,178,891
-	(6,300)	(8,517)	(2,450)	(236,325)	(206,813)
(23,850,707)	-	-	-	-	(86,805,257)
<u>121,801,460</u>	<u>-</u>	<u>-</u>	<u>2,732,055</u>	<u>30,832,436</u>	<u>581,821</u>
<u>\$ 14,000,576</u>	<u>\$ (61,203,081)</u>	<u>\$ (12,623,082)</u>	<u>\$ (7,319,928)</u>	<u>\$ 35,002,659</u>	<u>\$ (5,846,805)</u>
22.84%	23.54%	20.33%	18.01%	17.75%	17.71%

LA PORTE INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX RATES-DIRECT AND ALL OVERLAPPING

GOVERNMENTS - EXHIBIT L-5

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
School District				
Maintenance and operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt service	0.3150	0.2900	0.2900	0.4100
District Total	\$ 1.3550	\$ 1.3300	\$ 1.3300	\$ 1.4500
County				
Chambers*	\$ 0.4968	\$ 0.4968	\$ 0.5221	\$ 0.5327
Harris	\$ 0.3912	\$ 0.4002	\$ 0.4146	\$ 0.4173
Harris County Dept. of Education	\$ 0.0066	\$ 0.0066	\$ 0.0064	\$ 0.0060
Harris County Flood Control District	\$ 0.0281	\$ 0.0281	\$ 0.0283	\$ 0.0274
Port of Houston Authority	\$ 0.0186	\$ 0.0195	\$ 0.0172	\$ 0.0513
San Jacinto Jr. College District	\$ 0.1856	\$ 0.1856	\$ 0.1856	\$ 0.1856
Cities				
Deer Park	\$ 0.7200	\$ 0.7200	\$ 0.7200	\$ 0.7200
La Porte	\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100
Morgan's Point	\$ 0.6460	\$ 0.6460	\$ 0.6362	\$ 0.8191
Pasadena	\$ 0.5916	\$ 0.5916	\$ 0.5916	\$ 0.5769
Water Districts				
Clear Lake City Water Authority	\$ 0.2800	\$ 0.2800	\$ 0.2800	\$ 0.2800

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

Rates are per \$100 of assessed valuation

Harris County Appraisal District - Chambers County Appraisal District

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

Source: Harris County Truth in Taxation Summary

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.1700	\$ 1.0400	\$ 1.0397
0.4100	0.3800	0.3400	0.2100	0.2400	0.2300
<u>\$ 1.4500</u>	<u>\$ 1.4200</u>	<u>\$ 1.3800</u>	<u>\$ 1.3800</u>	<u>\$ 1.2800</u>	<u>\$ 1.2697</u>
\$ 0.5403	\$ 0.5527	\$ 0.5425	\$ 0.5425	\$ 0.5421	\$ 0.5395
\$ 0.4192	\$ 0.4166	\$ 0.4180	\$ 0.4186	\$ 0.4071	\$ 0.3912
\$ 0.0054	\$ 0.0052	\$ 0.0052	\$ 0.0052	\$ 0.0050	\$ 0.0050
\$ 0.0273	\$ 0.0283	\$ 0.0283	\$ 0.0288	\$ 0.0279	\$ 0.0314
\$ 0.0134	\$ 0.0133	\$ 0.0126	\$ 0.0116	\$ 0.0107	\$ 0.0099
\$ 0.1758	\$ 0.1824	\$ 0.1833	\$ 0.1793	\$ 0.1782	\$ 0.1694
\$ 0.7144	\$ 0.7200	\$ 0.7200	\$ 0.7200	\$ 0.7200	\$ 0.7200
\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100	\$ 0.7100
\$ 0.8191	\$ 0.9118	\$ 0.8911	\$ 0.8883	\$ 0.8810	\$ 0.9491
\$ 0.5754	\$ 0.5754	\$ 0.5754	\$ 0.6154	\$ 0.5703	\$ 0.5337
\$ 0.2700	\$ 0.2700	\$ 0.2700	\$ 0.2700	\$ 0.2700	\$ 0.2700

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

Fiscal Year Ended June 30	Real Property Assessed Actual Value	Personal Property Assessed Actual Value	Total Assessed Actual Value**	Total Direct Rate*
2012	\$ 4,836,345,185	\$ 1,168,218,050	\$ 6,004,563,235	\$ 1.3550
2013	\$ 5,178,358,804	\$ 1,030,342,901	\$ 6,208,701,705	\$ 1.3300
2014	\$ 5,994,901,356	\$ 606,555,209	\$ 6,601,456,565	\$ 1.3300
2015	\$ 5,234,296,126	\$ 1,812,869,665	\$ 7,047,165,791	\$ 1.4500
2016	\$ 6,099,088,029	\$ 2,019,635,876	\$ 8,118,723,905	\$ 1.4500
2017	\$ 6,409,074,023	\$ 3,022,538,859	\$ 9,431,612,882	\$ 1.4200
2018	\$ 7,933,845,192	\$ 1,887,084,971	\$ 9,820,930,163	\$ 1.3800
2019	\$ 7,152,159,589	\$ 3,047,694,437	\$ 10,199,854,026	\$ 1.3800
2020	\$ 7,819,428,707	\$ 3,536,064,873	\$ 11,355,493,580	\$ 1.2800
2021	\$ 8,641,591,301	\$ 3,575,479,876	\$ 12,217,071,177	\$ 1.2697

*Per \$100 of assessed value

**Total Estimated Taxable Value is net of exemptions

Source: Goose Creek CISD Tax Services Tax Roll Summary Report

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LA PORTE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL PROPERTY TAX PAYERS - EXHIBIT L-7

Current Year and Nine Years Ago

Property Tax Payer	2021			2012		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
Equistar Chemical LP	\$ 644,634,658	1	17.38%	\$ 326,861,762	1	22.02%
Fairway Methanol LLC	573,834,780	2	15.47%	-	-	0.00%
Enterprise Products	549,017,794	3	14.80%	-	-	0.00%
Kuraray America Inc.	392,463,222	4	10.58%	-	-	0.00%
Air Liquide America Corporation	372,335,071	5	10.04%	220,992,320	2	14.89%
Braskem America Inc.	350,558,678	6	9.45%	103,466,102	9	6.97%
Praxair Inc.	250,319,306	7	6.75%	-	-	0.00%
Liberty Property	217,936,586	8	5.88%	-	-	0.00%
Albermarle Catalysts Co. LP	183,711,653	9	4.95%	143,214,110	4	9.65%
Lyondell Chemical Co.	174,486,936	10	4.70%	131,212,110	5	8.84%
Kaneka Texas Corp.	-	-	-	153,996,482	3	10.37%
Evalca	-	-	-	115,503,732	6	7.78%
Conoco Phillips Co	-	-	-	115,469,271	7	7.78%
Celanese LTD	-	-	-	112,428,745	8	7.57%
Arkem INC	-	-	-	61,328,267	10	4.13%
Total	\$ 3,709,298,684		100.00%	\$ 1,484,472,901		100.00%
Total taxable assessed value*	<u>\$ 12,217,071,177</u>			<u>\$ 6,004,563,235</u>		

*Taxable assessed value is net exemptions

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

Source: Municipal Advisory Council of Texas

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LA PORTE INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS - EXHIBIT L-8

Last Ten Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 81,347,826	\$ 80,319,639	98.74%	\$ 958,909	\$ 81,278,548	99.91%
2013	\$ 82,998,592	\$ 81,772,811	98.52%	\$ 1,143,127	\$ 82,915,938	99.90%
2014	\$ 87,683,942	\$ 86,946,201	99.16%	\$ 726,368	\$ 87,672,569	99.99%
2015	\$ 102,609,803	\$ 101,666,537	99.08%	\$ 905,960	\$ 102,572,497	99.96%
2016	\$ 117,701,618	\$ 116,785,513	99.22%	\$ 816,093	\$ 117,601,606	99.92%
2017	\$ 119,265,281	\$ 118,673,840	99.50%	\$ 399,405	\$ 119,073,245	99.84%
2018	\$ 123,396,019	\$ 121,706,460	98.63%	\$ 113,588	\$ 121,820,048	98.72%
2019	\$ 128,005,460	\$ 126,153,254	98.55%	\$ 148,184	\$ 126,301,438	98.67%
2020	\$ 133,136,156	\$ 131,531,550	98.79%	\$ (69,080)	\$ 131,462,469	98.74%
2021	\$ 142,525,527	\$ 140,733,952	98.74%	\$ -	\$ 140,733,952	98.74%

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX COLLECTIONS - EXHIBIT L-9

Last Ten Years

Fiscal Year	Fiscal Year of Collection			
	2021	2020	2019	2018
2012	\$ 2,551	\$ 1,032	\$ 4,761	\$ 5,151
2013	\$ 2,036	\$ 1,797	\$ 3,878	\$ 8,538
2014	\$ 7,336	\$ 33,358	\$ 8,258	\$ 13,777
2015	\$ 11,407	\$ 42,808	\$ 141,404	\$ 35,687
2016	\$ 15,049	\$ 96,037	\$ 233,215	\$ 85,230
2017	\$ 17,714	\$ 34,447	\$ 227,266	\$ 125,270
2018	\$ (180,910)	\$ 179,670	\$ 114,828	\$ 121,706,460
2019	\$ 106,794	\$ 41,389	\$ 126,153,254	
2020	\$ (69,081)	\$ 131,531,550		
2021	\$ 140,733,952			

Fiscal Year of Collection

2017	2016	2015	2014	2013	2012
\$ 37,421	\$ (92,518)	\$ 43,091	\$ 191,447	\$ 766,856	\$ 80,319,639
\$ (158,135)	\$ 328,527	\$ 171,646	\$ 780,461	\$ 81,772,811	
\$ (108,665)	\$ 436,336	\$ 202,822	\$ 86,946,201		
\$ 147,276	\$ 435,568	\$ 101,666,537			
\$ 392,509	\$ 116,785,513				
\$ 118,673,840					

LA PORTE INDEPENDENT SCHOOL DISTRICT

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING - EXHIBIT L-10

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Assessed Value				
All property	\$ 6,004,563,235	\$ 6,208,701,705	\$ 6,601,456,565	\$ 7,047,165,791
Net Bonded Debt				
Gross bonded debt	\$ 215,893,135	\$ 207,007,460	\$ 198,049,993	\$ 296,199,845
Less debt service funds	5,284,442	6,407,019	8,774,586	10,236,018
Total Net Bonded Debt	\$ 210,608,693	\$ 200,600,441	\$ 189,275,407	\$ 285,963,827
Ratio of Net Bonded Debt To Assessed Value	3.51%	3.23%	2.87%	4.06%
Average Daily Attendance (ADA)	7,262	7,218	7,129	7,127
Ratio of Net Bonded Debt Per ADA	\$ 29,001	\$ 27,792	\$ 26,550	\$ 40,124
Percentage of Personal Income (1)	0.94%	0.87%	0.75%	1.13%
Population	37,845	34,654	35,039	35,148
Net Bonded Debt Per Capita	\$ 5,565	\$ 5,789	\$ 5,402	\$ 8,136

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

(1) Personal income is disclosed on Demographic and Economic Statistics table.

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 8,118,723,905	\$ 9,341,612,882	\$ 9,820,930,163	\$ 10,199,854,026	\$ 11,355,493,580	\$ 12,217,071,177
\$ 399,494,016	\$ 376,589,109	\$ 358,587,198	\$ 341,038,095	\$ 353,695,936	\$ 339,621,139
14,209,608	14,883,619	18,245,027	5,899,452	4,908,863	7,478,866
\$ 385,284,408	\$ 361,705,490	\$ 340,342,171	\$ 335,138,643	\$ 348,787,073	\$ 332,142,273
4.75%	3.87%	3.47%	3.29%	3.07%	2.72%
7,128	7,183	7,210	6,798	6,493	6,451
\$ 54,052	\$ 50,356	\$ 47,204	\$ 49,300	\$ 53,717	\$ 51,487
1.54%	1.45%	1.36%	1.26%	1.23%	1.17%
35,086	35,371	35,423	34,976	34,976	34,976
\$ 10,981	\$ 10,226	\$ 9,608	\$ 9,582	\$ 9,972	\$ 9,496

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LA PORTE INDEPENDENT SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION - EXHIBIT L-11

Last Ten Years

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 12,217,071,177
Debt limit (percentage of 2020-2021 school year assessed value)*	10.00%
Maximum legal debt	1,221,707,118
Amount of debt applicable to debt limit**	339,621,139
Legal Debt Margin	\$ 882,085,979

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

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

Fiscal Year	Debt Limit	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	\$ 600,456,324	\$ 203,560,558	\$ 396,895,766	33.90%
2013	\$ 620,870,171	\$ 194,227,981	\$ 426,642,190	31.28%
2014	\$ 660,145,657	\$ 183,605,414	\$ 476,540,243	27.81%
2015	\$ 704,716,579	\$ 263,598,982	\$ 441,117,597	37.40%
2016	\$ 811,872,391	\$ 357,125,392	\$ 454,746,999	43.99%
2017	\$ 934,161,288	\$ 336,096,381	\$ 598,064,907	35.98%
2018	\$ 982,093,016	\$ 317,204,973	\$ 664,888,043	32.30%
2019	\$ 1,019,985,403	\$ 319,985,000	\$ 700,000,403	31.37%
2020	\$ 1,135,549,358	\$ 331,150,000	\$ 804,399,358	29.16%
2021	\$ 1,221,707,118	\$ 339,621,139	\$ 882,085,979	27.80%

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LA PORTE INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - EXHIBIT L-12
As of June 30, 2021

Governmental Unit	Debt Outstanding	Percentage Applicable*	Share of Overlapping Debt
Chambers County	\$ 46,160,000	0.01%	\$ -
Harris County	\$ 1,672,657,125	2.41%	40,311,037
Harris County Department of Education	\$ 20,185,000	2.41%	486,459
Harris County Flood Control District	\$ 334,270,000	2.41%	8,055,907
Harris County Hospital District	\$ 81,540,000	2.41%	1,965,114
Port of Houston Authority	\$ 492,439,397	2.41%	11,867,789
San Jacinto Jr. College District	\$ 529,434,594	20.29%	107,422,279
City of Deer Park	\$ 67,845,000	30.95%	20,998,028
City of La Porte	\$ 28,275,000	94.33%	26,671,808
City of Morgan's Point	\$ 10,575,000	100.00%	10,575,000
City of Pasadena	\$ 141,000,000	7.17%	10,109,700
City of Shoreacres	\$ 4,255,000	100.00%	4,255,000
Clear Lake City Water Authority	\$ 108,375,000	9.35%	10,133,063
Subtotal, overlapping debt			\$ 252,851,182
District Direct Debt	\$ 339,621,139	100.00%	339,621,139
Total Direct and Overlapping Debt			\$ 592,472,321
Population (District)			34,976
Per Capita Debt-Direct and Overlapping			\$ 16,939

Source: Municipal Advisory Council of Texas

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

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

LA PORTE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS - EXHIBIT L-13

Last Ten Years

Population Information

Fiscal Year	Estimated Population	Land Area	Density Per Square Mile	Population Change
2012	37,845	55	688	1.5%
2013	34,654	55	630	-9.2%
2014	35,039	55	637	1.1%
2015	35,148	55	639	0.3%
2016	35,086	55	638	-0.2%
2017	35,371	55	643	0.8%
2018	35,423	55	644	0.1%
2019	34,976	55	636	-1.3%
2020*	34,976	55	636	0.0%
2021*	34,976	55	636	0.0%

* Estimated population is only available through 2020, therefore, the same data was used for 2021

Source: United States Census Bureau

	Harris County 2020	Texas 2020	U.S. 2020
Population			
Median age	32.2	32.3	35.3
% School age	28%	27.3%	24%
% Working age	55.7%	54.7%	56.5%
% 65 and over	8.1%	10.3%	13%
Persons per household	2.85	2.78	2.59
Income			
Median family income	\$ 51,444	\$ 49,646	\$ 51,914
% Below poverty level	16.8%	16.8%	13.8%
Per capita income	\$ 26,788	\$ 24,870	\$ 27,334
Housing			
% Owner occupied	64.8%	64.8%	66.6%
% Built before 1939	N/A	5.6%	16.3%
% Built since last census	N/A	19.5%	16.5%
Owner occupied median value	\$ 128,642	\$ 105,779	\$ 170,000
Median gross rent	\$ 737	\$ 664	\$ 808
Occupied housing units	1,598,698	9,977,436	131,704,730

Source: United States Census Bureau

Harris County					
Personal Income* <i>(in Thousands)</i>	Population* <i>(Persons)</i>	Per Capita Personal* Income	Total Unemployment	Percentage Unemployed County	Percentage Unemployed State
\$ 224,617,980	4,262,689	\$ 52,805	143,053	6.6%	6.7%
\$ 230,462,963	4,353,517	\$ 53,141	132,300	6.0%	6.2%
\$ 252,694,912	4,452,695	\$ 56,896	110,802	4.9%	5.1%
\$ 252,694,912	4,551,362	\$ 56,896	103,637	4.6%	4.4%
\$ 249,989,494	4,617,041	\$ 55,088	119,025	5.3%	4.6%
\$ 249,989,500	4,652,980	\$ 55,088	108,287	5.1%	4.3%
\$ 249,989,500	4,652,980	\$ 55,088	108,287	4.4%	4.2%
\$ 265,351,328	4,698,619	\$ 56,474	100,021	3.8%	3.9%
\$ 282,809,166	4,713,325	\$ 60,002	204,310	8.9%	7.6%
\$ 282,809,166	4,713,325	\$ 60,002	204,310	8.9%	7.6%

* Information is only available through 2020 therefore same data was used for 2021
Source: Texas Workforce Commission (Texas LMI) & Bureau of Economic Analysis

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LA PORTE INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS - EXHIBIT L-14

Current Year and Nine Years Ago

2021			2012		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Lyondell Basell	1,635	8.66%	Total Petrochemicals USA	1,500	4.74%
La Porte ISD	1,059	5.61%	La Porte ISD	1,075	3.40%
Dupont Chemical	545	2.89%	International Plant Services	1,000	3.16%
Force Corporation	500	2.65%	Rockwood Service Corp.	700	2.21%
J V Piping	440	2.33%	Longview Inspections, Inc.	664	2.10%
Total Pertochemicals & Rfining	409	2.17%	JP&D Digital Satellite Systems	600	1.89%
City of La Porte	390	2.07%	E. I. Du Pont & Company	500	1.58%
Ineos	385	2.04%	Katoen Natie USA, Inc.	500	1.58%
Sulzer Turbomachinery Services	385	2.04%	Sulzer Turbo Systems Intl	400	1.26%
Brand Safway	382	2.02%	City of La Porte	388	1.23%
Total	6,130			7,327	
Total City of La Porte Employment	18,885			31,664	

Source: City of La Porte Comprehensive Annual Financial Report for the Year Ended September 30, 2020,
Texas Workforce Commission (Texas LMI)

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

	Fiscal Year			
	2012	2013	2014	2015
<u>Governmental Activities</u>				
Teachers	467.00	461.80	464.00	470.07
Professional support	87.40	89.10	90.00	94.43
Campus administration (school leadership)	29.10	30.00	30.00	30.00
Central administration	11.00	11.00	10.00	10.00
Educational aides	107.90	103.00	105.57	110.23
Auxiliary staff	301.00	292.80	291.54	293.70
Total District Positions	<u>1,003.40</u>	<u>987.70</u>	<u>991.11</u>	<u>1,008.43</u>

Source: Texas Education Agency Website - PEIMS

PEIMS - TEA Standard reports - PEIMS standard reports - Staff FTE and Salary Reports

Selected District Totals

Fiscal Year

2016	2017	2018	2019	2020	2021
495.46	495.00	500.63	488.81	478.56	482.92
101.45	101.42	92.54	96.50	95.60	99.61
29.02	30.00	31.79	31.00	31.65	32.16
8.00	10.89	11.62	12.00	10.00	10.00
117.28	120.56	130.56	138.50	131.50	135.50
289.03	283.99	293.95	292.13	298.47	308.76
<u>1,040.24</u>	<u>1,041.86</u>	<u>1,061.09</u>	<u>1,058.94</u>	<u>1,045.78</u>	<u>1,068.95</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS - EXHIBIT L-16

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Average Daily Attendance	7,262	7,218	7,129	7,127
Operating Expenditures*	\$ 83,621,658	\$ 83,950,073	\$ 91,557,284	\$ 100,219,592
Cost per pupil	\$ 11,515	\$ 11,631	\$ 12,843	\$ 14,062
Percentage change	-6.36%	1.00%	10.42%	9.49%
Government-wide Expenses**	\$ 106,563,566	\$ 103,594,578	\$ 102,933,844	\$ 106,587,501
Cost per pupil	\$ 14,674	\$ 14,352	\$ 14,439	\$ 14,955
Percentage change	-3.40%	-2.19%	0.60%	3.58%
Teaching Staff	495	482	461	464
Pupils to teacher	16	16	16	16

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

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

Source: Nonfinancial information from District records

Fiscal Year

2016	2017	2018	2019	2020	2021
7,128	7,183	7,210	6,798	6,493	6,451
\$ 108,611,472	\$ 114,226,962	\$ 117,926,757	\$ 117,926,757	\$ 132,909,538	\$ 143,237,130
\$ 15,237	\$ 15,902	\$ 16,356	\$ 17,347	\$ 20,470	\$ 22,204
8.36%	4.36%	2.85%	6.06%	18.00%	8.47%
\$ 117,311,550	\$ 131,497,993	\$ 118,745,460	\$ 118,745,460	\$ 163,340,785	\$ 181,786,445
\$ 16,458	\$ 18,307	\$ 16,470	\$ 17,468	\$ 25,156	\$ 28,180
10.05%	11.23%	-10.04%	6.06%	44.02%	12.02%
470	495	501	501	479	483
16	16	15	14	14	13

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LA PORTE INDEPENDENT SCHOOL DISTRICT

TEACHER BASE SALARIES - EXHIBIT L-17

Last Ten Years

Fiscal Year	Minimum Salary*	Maximum Salary*	Region Average Salary	Statewide Average Salary
2012	\$ 44,900	\$ 71,607	\$ 50,383	\$ 48,375
2013	\$ 46,250	\$ 70,432	\$ 50,968	\$ 48,821
2014	\$ 48,950	\$ 72,795	\$ 52,222	\$ 49,692
2015	\$ 50,400	\$ 74,350	\$ 54,157	\$ 50,715
2016	\$ 51,600	\$ 76,120	\$ 55,580	\$ 51,892
2017	\$ 52,600	\$ 78,842	\$ 55,992	\$ 52,525
2018	\$ 53,100	\$ 79,590	\$ 57,076	\$ 53,334
2019	\$ 54,000	\$ 81,793	\$ 54,524	\$ 54,122
2020	\$ 55,200	\$ 84,508	\$ 60,292	\$ 57,091
2021	\$ 57,200	\$ 87,608	\$ 60,798	\$ 57,641

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

Sources: District Records

Texas Education Agency Website - PEIMS Standard Reports

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LA PORTE INDEPENDENT SCHOOL DISTRICT

ATTENDANCE DATA - EXHIBIT L-18

Last Ten Years

Fiscal Year	Total Enrollment	Average Daily Attendance		
		Amount	Percentage Increase (Decrease)	Percentage of Attendance
2012	7,768	7,262	0.36%	93.48%
2013	7,747	7,218	-0.60%	93.17%
2014	7,628	7,129	-1.23%	93.46%
2015	7,648	7,127	-0.02%	93.19%
2016	7,753	7,128	0.01%	91.94%
2017	7,713	7,183	0.77%	93.13%
2018	7,588	7,210	0.38%	95.02%
2019	7,384	6,798	-5.71%	92.06%
2020	7,361	6,493	-4.49%	88.21%
2021	6,980	6,451	-0.65%	92.42%

Source: Texas Education Agency Website - PEIMS (Snapshot) and Near Final Summary of Finance Reports and Data > Financial Reports > School Funding Reports and Data > Near Final ADA Adjustments

LA PORTE INDEPENDENT SCHOOL DISTRICT

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

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Elementary				
Bayshore Elementary				
Square feet	111,000	111,000	111,000	111,000
Capacity	750	750	750	750
Enrollment	561	577	530	522
College Park Elementary				
Square feet	75,301	75,301	75,301	75,301
Capacity	650	650	650	650
Enrollment	487	465	461	472
Heritage Elementary				
Square feet	100,000	100,000	100,000	100,000
Capacity	750	750	750	750
Enrollment	642	610	599	595
Jennie Reid Elementary				
Square feet	72,450	72,450	72,450	72,450
Capacity	600	600	600	600
Enrollment	494	487	486	492
La Porte Elementary				
Square feet	94,064	94,064	94,064	94,064
Capacity	700	700	700	700
Enrollment	525	502	491	494
Lomax Elementary				
Square feet	86,495	86,495	86,495	86,795
Capacity	700	700	700	700
Enrollment	548	523	519	528
Rizzuto Elementary				
Square feet	85,563	85,563	85,563	85,563
Capacity	750	750	750	750
Enrollment	584	582	588	595
Intermediate				
Baker 6th Grade Campus				
Square feet	140,060	140,060	140,060	140,060
Capacity	700	700	700	700
Enrollment	551	625	533	550

Fiscal Year					
2016	2017	2018	2019	2020	2021
111,000	111,000	111,000	111,000	111,000	111,000
750	750	750	750	750	750
537	557	579	571	472	398
77,910	77,910	77,910	77,910	77,910	77,910
696	696	696	696	696	696
490	470	453	454	486	438
100,000	100,000	100,000	100,000	100,000	100,000
750	750	750	750	750	750
560	550	519	468	514	490
72,450	72,450	72,450	72,450	72,450	72,450
600	600	600	600	600	600
462	471	456	432	419	395
94,064	94,064	94,064	94,064	94,064	94,064
700	700	700	700	700	700
549	554	546	518	523	474
101,987	101,987	101,987	101,987	101,987	101,987
729	729	729	729	729	729
542	511	487	462	491	454
85,563	85,563	85,563	85,563	85,563	85,563
750	750	750	750	750	750
591	585	592	558	499	435
125,937	125,937	125,937	125,937	125,937	125,937
925	925	925	925	925	925
575	580	547	590	576	541

LA PORTE INDEPENDENT SCHOOL DISTRICT

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

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Junior High Schools				
La Porte Junior High School				
Square feet	148,044	148,044	148,044	148,044
Capacity	725	725	725	725
Enrollment	566	536	555	554
Lomax Junior High School				
Square feet	125,645	125,645	125,645	125,645
Capacity	780	780	780	780
Enrollment	628	611	608	605
High School				
La Porte High School				
Square feet	502,332	504,652	504,652	504,652
Capacity	2,923	2,923	2,923	2,923
Enrollment	2,121	2,168	2,190	2,162
Alternative School				
DeWalt Alternative School				
Square feet	37,796	37,796	37,796	37,796
Capacity	250	250	250	250
Enrollment	61	61	68	60
Total Square Footage	1,578,750	1,581,070	1,581,070	1,581,370
Total Capacity	10,278	10,278	10,278	10,278
Total Enrollment	7,768	7,747	7,628	7,629

Source: District records

Fiscal Year					
2016	2017	2018	2019	2020	2021
153,200	153,200	153,200	153,200	153,200	153,200
725	725	725	725	725	725
549	595	568	510	518	515
125,645	125,645	125,645	125,645	125,645	125,645
780	780	780	780	780	780
612	597	609	608	604	597
591,126	633,140	633,140	633,140	633,140	633,140
2,923	3,100	3,100	3,100	3,100	3,100
2,218	2,176	2,083	2,104	1,922	1,877
37,796	37,796	37,796	37,796	37,796	37,796
250	250	250	250	250	250
54	57	60	109	175	203
1,676,678	1,718,692	1,718,692	1,718,692	1,718,692	1,718,692
10,578	10,755	10,755	10,755	10,755	10,755
7,739	7,703	7,499	7,384	7,199	6,817

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COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Porte Independent School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 10, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
November 10, 2021



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

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

Report on Compliance for Each Major Federal Program

We have audited La Porte Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
November 10, 2021

LA PORTE INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021

A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

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LA PORTE
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

A. SUMMARY OF AUDIT RESULTS

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173	Special Education Cluster
84.425D	Education Stabilization Fund

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

B. FINDINGS –BASIC FINANCIAL STATEMENT AUDIT

None Noted

C. FINDINGS – FEDERAL AWARDS AUDIT

None Noted

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LA PORTE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1

For the Year Ended June 30, 2021

(1)	(2)	(2A)	(3)
<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
ESEA Title I, Part A	84.010	20610101101916	\$ 354,821
ESEA Title I, Part A	84.010	21610101101916	896,935
IDEA B, Formula Grant*	84.027	206600011019166600	558
IDEA B, Formula Grant*	84.027	216600011019166600	1,348,014
IDEA B, Capacity Grant*	84.027	216600011019166600	233,949
IDEA B, Preschool*	84.173	206610011019166610	10,922
IDEA B, Preschool*	84.173	216610011019166610	33,295
Title III, Part A	84.365	20671001101916	48,894
Title III, Part A	84.365	21671001101916	29,697
Carl D. Perkins Basic Formula	84.048A	20420006101916	6,452
Carl D. Perkins Basic Formula	84.048A	21420006101916	80,594
Title II, Part A, Supporting Effective Instruction	84.367	20694501101916	75,081
Title II, Part A, Supporting Effective Instruction	84.367	21694501101916	157,996
Texas Hurricane Homeless Youth	84.938	1951370101916	25,680
Title IV, Part A, Subpart 1	84.424	20680101101916	26,852
Title IV, Part A, Subpart 1	84.424	21680101101916	80,302
Instructional Continuity Grant	84.377A	17610740101916	17,500
COVID-19 - Prior Purchase Reimbursement Program (PPRP)	84.425D	52102035	1,151,700
COVID-19 - Education Stabilization Fund (ESSER)	84.425D	20521001101916	791,195
TOTAL U.S. DEPARTMENT OF EDUCATION			5,370,437
U.S. DEPARTMENT OF JUSTICE			
STOP School Violence	16.839	2018-YS-BX-0117	120,661
TOTAL U.S. DEPARTMENT OF JUSTICE			120,661
U.S. DEPARTMENT OF TREASURY			
Passed Through State Department of Education			
COVID-19 - Local Match Reimbursement Program	21.019	52202002	13,063
COVID-19 - Harris County Federal CRF	21.019	39312101	13,063
Passed Through Texas Department of Emergency Management			
COVID-19 - Coronavirus Relief Fund	21.019	2020-CF-21019	35,913
TOTAL U.S. DEPARTMENT OF TREASURY			62,039
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education			
School Breakfast Programs*	10.553	806780706	614,600
National School Lunch*	10.555	806780706	2,050,945
COVID-19 - USDA Emergency Operational Cost Reimbursement*	10.555	806780706	233,447
USDA Commodities	10.565	806780706	189,858
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,088,850
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
COVID-19 - Provider Relief Fund	93.498	N/A	43,101
Medicaid Administrative Claims	93.778	N/A	74,844
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			117,945
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,759,932
<i>* Indicates clustered program under OMB Compliance Supplement</i>			
		Federal revenue per SEFA	\$ 8,759,932
		IRS bond subsidy	131,750
		Junior ROTC	52,448
		SHARS	1,912,596
		C-2 Federal revenue	<u>\$ 10,856,726</u>

The accompanying notes are an integral part of this schedule.

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LA PORTE INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1: BASIS OF ACCOUNTING

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Prior Purchase Reimbursement Program

Expenditures in the amount of \$780,000 related to the federal grant program, Education Stabilization Fund, AL Number 84.425D, were incurred in the prior fiscal year; however, approval for these grant funds was not provided until fiscal year 2021. Accordingly, these expenditures have been listed on the fiscal year 2021 schedule.

NOTE 3: INDIRECT COST RATE

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

NOTE 4: DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The District did not received any PPE donations funded by federal assistance funds during the reporting year.

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LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO
SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1
For the Year Ended June 30, 2021

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the District make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the District was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued, the District is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the District issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the District is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state or federal funds?	No
SF7	Did the District post the required financial information on its website in accordance with Government code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws, and rules that were in effect at the District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a Board meeting within 120 days before the District adopted its budgets?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	<u>\$ 11,178,964</u>

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