

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended
June 30, 2020





**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

**TOMBALL INDEPENDENT
SCHOOL DISTRICT**

310 S. Cherry St - Tomball, TX 77375

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

**Prepared by the Finance Department
Jim Ross, Chief Financial Officer
Zack Boles, Assistant Superintendent of Finance**

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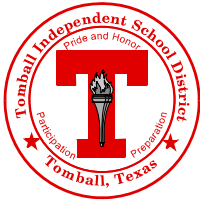
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A photograph of a yellow school bus with its door open. Inside the bus, a driver is visible at the wheel. Several students are seated in the front rows. Outside the bus, two more students are standing near the open door, one with a backpack. The scene is brightly lit, suggesting a sunny day.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory Section



Tomball Independent School District

**310 S. Cherry Street
Tomball, Texas 77375**

December 2, 2020

Board of Trustees and Citizens
Tomball Independent School District
310 S. Cherry Street
Tomball, Texas 77375

Dear Board of Trustees:

State law requires that each school district have its fiscal accounts audited annually. A copy of the annual financial report, approved by the Board of Trustees, must be filed with the Texas Education Agency (TEA) by the 150th day after the end of the fiscal year. The independent audit of the financial statements was submitted as prescribed by law. This Comprehensive Annual Financial Report (CAFR) of the Tomball Independent School District (Tomball ISD or the District) is published to provide additional information for the fiscal year ended June 30, 2020.

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 compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

The CAFR consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District's administration. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (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.

Weaver & Tidwell LLP, a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the District's financial statements for the fiscal year ended June 30, 2020. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE DISTRICT

In 1937 a petition was presented to the Harris County School Board requesting Tomball be allowed to form its own school district. That petition was granted and all related funds and debts were transferred to the Tomball Independent School District. Tomball ISD is legally recognized as a political subdivision of the State of Texas. The District is not included in any other governmental reporting entity and there are no component units. A seven-member Board of Trustees (the Board) governs the District and has governance responsibilities over all activities related to public elementary and secondary education. Each member is elected to an at-large position for four years in a nonpartisan election. An election is held in November of even-numbered years for either three or four positions. Based on legislative authority codified in the Texas Education Code, the Board (1) has exclusive power to manage and govern the District; (2) can acquire and hold real and personal property; (3) shall have power to levy and collect taxes and to issue bonds; (4) can contract for appointed officers, teachers, and other personnel as well as for goods and services; and (5) has the right of eminent domain to acquire real property.

Serving the City of Tomball and the communities of Lakewood, Canyon Gate, Village Creek, Creekside Park (a section of The Woodlands), Huffsmith, Decker Prairie and Rosehill, Tomball ISD is primarily located in northwestern Harris County with a small portion in southwestern Montgomery County. The District is comprised of 7 elementary schools serving pre-kindergarten to fourth grades, 3 elementary schools serving pre-kindergarten to fifth grades, 3 intermediate schools serving fifth and sixth grades, 3 junior high schools serving seventh and eighth grades, 2 high schools serving ninth to twelfth grades, 1 early college high school, and 1 alternative placement school. The ages of the schools range from three years to fifty years old.

Tomball ISD provides a well-rounded program of public education for children from pre-kindergarten through grade twelve. In addition to basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, and career and technology programs, along with co-curricular/extracurricular activities. High school students have the opportunity to earn college credits through College Board Advanced Placement courses, early college attendance, and dual credit programs. The District is fully accredited by the Texas Education Agency (TEA).

The Board determines the District's vision, mission and goals. The District vision is "Tomball ISD students will lead in creating the future". The mission of the District is "Tomball ISD educates students to become responsible, productive citizens by providing innovative, individually rigorous and personally valuable educational experiences".

On or before June 19th of each year, the District must prepare a budget for the next succeeding fiscal year. The annual budget serves as the foundation for the District's financial planning and control. The budget process begins in December with the preparation of the budget calendar, updated enrollment and revenue projections, and tentative expenditure projections. Based on this information, budget development parameters for the next year's budget are established. All the District's budget managers are required to submit requests for appropriations based on those parameters. A preliminary budget is compiled and then presented and discussed with the Board at multiple budget workshops. After review, evaluation and revision in budget workshops, a meeting of the Board is called for the purpose of adopting the final proposed budget. A public hearing is held for taxpayer input after ten days' public notice of the meeting. Following the public hearing the Board adopts an appropriated budget for the general fund, debt service fund and the *National School Breakfast and Lunch Program* special revenue fund on a basis consistent with GAAP. The operating budget of proposed expenditures, and the means of financing them, must be approved and adopted by the Board prior to July 1st. The appropriated budget is prepared by fund and function. Transfers of appropriations between campuses/departments require the approval of the District's Superintendent. Increasing any one of the functional spending categories or revenue object accounts and other resources require the approval of the Board.

LOCAL ECONOMY

Tomball Independent School District encompasses 83 square miles in northwestern Harris County (90%) and southwestern Montgomery County (10%) located approximately 30 miles from downtown Houston, Texas. Harris County is the most populous of the 254 counties in Texas.

The District's proximity to the City of Houston provides the area with access to the nation's largest seaport in foreign waterborne commerce and second largest in total tonnage, one of the nation's leading centers for medical education and research, many colleges and universities, a dynamic cultural arts community, excellent recreational opportunities and a national center of corporate management, commerce and world trade.

The Port of Houston has helped fuel the Houston area's development as a center of international business and trade. Companies that do business internationally find the Houston area attractive because of its well-developed financial infrastructure, skilled work force and diverse population. Ample space and favorable conditions for industrial development, as well as for cargo handling, make the Houston area a choice location for industry. This is a major factor contributing to the Houston area's, as well as Tomball's, positive economic outlook for the future.

The number two taxpayer, is Hewlett-Packard Corporation. Hewlett-Packard is based in Palo Alto, California, but its largest operations are in Tomball. HP produces computers and other technological products and services and is the fourth-largest manufacturing company in the Houston area. Major administration, training center and research and development facilities are located in the District. Hewlett-Packard employs approximately 7,000 people as of 2018 in the Greater Houston area and its presence has contributed to the growth of the District. With expected industrial and commercial growth and the effect of its proximity to the City of Houston, the District anticipates a continuous, steady increase in its tax base.

The District's total tax base has increased on average 9.44 percent annually over the past ten years. The taxable value of property increased 5.79 percent from fiscal year 2018-2019 to 2019-2020 with a total taxable value of \$11,324,561,085. This taxable base is 71% residential and 29% business or other property. The average taxable value of residences is \$289,445. The District considers build-out space remaining at over 32 percent of usable space.

Completion of the Grand Parkway, the final loop around Houston, and expansion of the Tomball Tollway has made areas within the District more accessible for development. Located within the District are numerous multi-use developments which include retail shopping centers, low to mid-rise office buildings, hotels, industrial parks, financial institutions, restaurants and high-density residential projects. Larger residential developments are located in the west side of the District, with smaller projects located throughout all areas of the District. With the planned addition of over 3,000 homes in these development projects the District expects steady and sustained economic growth well into the future.

LONG-TERM FINANCIAL PLANNING

Tomball ISD has a student enrollment of 18,443 that is larger than 90 percent of the public school districts in Texas. Tomball ISD student enrollment has increased an average of 7.15 percent annually over a ten-year period. District enrollment increased 7.90 percent in 2019-2020 and is expected to again rise by over 4.0 percent during the 2020-2021 school year. This enrollment growth was anticipated and voters passed a \$275 million bond referendum in November 2017. Proceeds of the referendum are being used to build new instructional and support facilities, purchase school buses, renovate and expand the capacity of existing instructional facilities, as well as provide technology to accommodate new students and staff, replace aging technology and increase student access to technology. A new elementary school was opened in August 2020, and a junior high school is expected to open in August 2021.

The District's approach to coping with the current overall funding environment for Texas public school districts, combined with the addition of new school facilities and rapid growth, has been to ensure the

budget process remains instructionally driven and guided by the goals of the District. One of those goals is for the District to be fiscally responsible. In line with these goals and objectives, Tomball ISD leadership took steps over a six-year period to set aside reserves for future contingencies and on-going financial stability. These funds remain available for use in day-to-day operations.

The District has fund balance reserves available to fund 51.6% of the 2020-2021 operating budget; well above the existing board policy of maintaining 25% of the current year's operating budget. The total tax rate has not been increased in nine consecutive years. Considering both operating cost increases and funding reductions, the District believes it is well-positioned financially through the 2020-2021 fiscal year.

RELEVANT FINANCIAL POLICIES

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

Evidence of the District's commitment to budget planning and implementation is the selection of Tomball ISD by TXSmartSchools.org as a model 5 star district in the 2019 study. This study was built on the foundational work of the Financial Allocation Study for Texas (FAST), which was commissioned by the State of Texas. TXSmartSchools uses academic, financial, and demographic data to identify school districts and campuses that produce high academic progress while maintaining cost-effective operations. Tomball ISD was recognized as having very high academic achievement with low per pupil costs.

MAJOR INITIATIVES

Tomball Independent School District seeks to help students become skillful, active, reflective, self-disciplined and honorable members of our community through engaging learning experiences in a safe and nurturing environment. During the 2019-2020 school year, student achievement and character development continued to be primary objectives of the District. Strategies focused on raising the academic performance of all students; closing the achievement gap; establishing quality measures to gather information for feedback, improvement and accelerated solutions; encouraging parent and community involvement; developing positive character traits in students; recruiting and retaining quality staff; and building trusting and productive relationships allowed the District to work towards its objectives.

In Tomball ISD, we believe all students must have equal access to a rigorous college, career, and life-ready curriculum. The Tomball ISD standards-based curriculum integrates content with the skills necessary for success in today's 21st century context learning skills, requiring high cognitive demand, and responsive to the needs of all learners.

The District continues to meet or surpass state standards in student achievement in mathematics, science, language arts and social studies. By reviewing individual student test data and gauging the effectiveness of instructional programs, the District has strengthened and expanded its curriculum beyond the requirements of the state-mandated Texas Essential Knowledge and Skills (TEKS) in order to provide Tomball ISD students with an education that is more enriched and broader in scope. Advance offerings are being expanded as more students express a desire to participate. Tomball ISD students continue to excel in obtaining a well-rounded education as evidenced by the near 100 percent of seniors who earned the necessary credits to graduate in May 2020 and passed the state exit exams.

AWARDS AND ACKNOWLEDGEMENTS

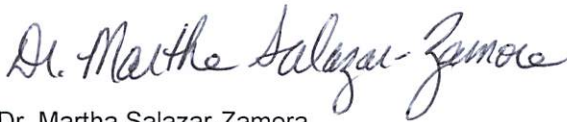
Tomball Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a Comprehensive Annual Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review to determine its eligibility for another certificate.

The District also received the Association of School Business Official's (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2019. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. We believe our current report will conform to the Certificate of Excellence Program requirements, and we are submitting it to the ASBO for their review.

We would like to express our appreciation to the Board of Trustees for their concern in providing fiscal accountability to the patrons of our District and for their expertise in financial decisions. Special appreciation goes to the District's finance department and the independent auditor's staff. The preparation of this report could not have been accomplished without their efficient and dedicated service.

Respectfully submitted,



Dr. Martha Salazar-Zamora
Superintendent



Jim Ross
Chief Financial Officer



Zachery Boles
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tomball Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Tomball Independent School District

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

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

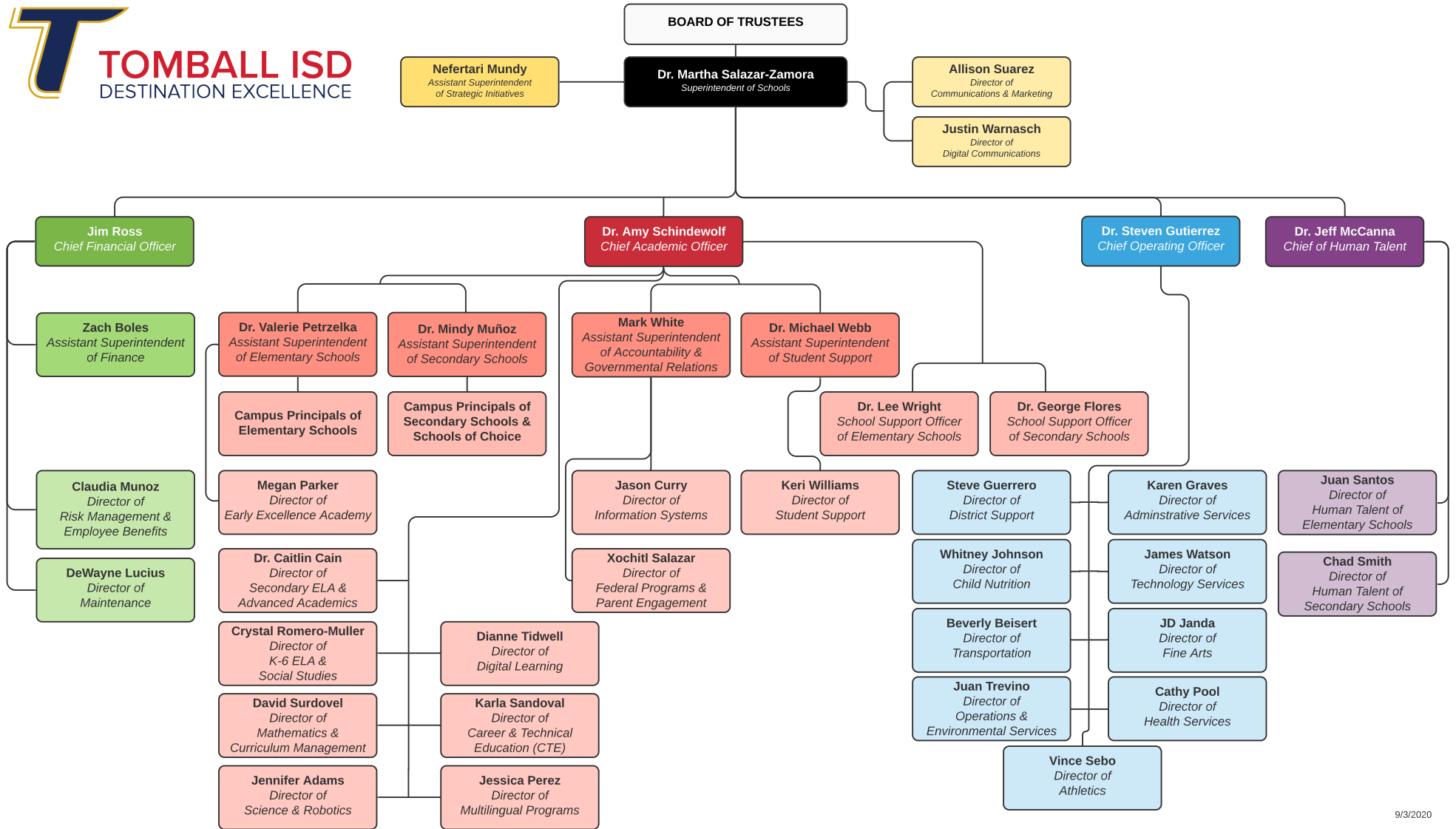


A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

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

David J. Lewis
Executive Director



**TOMBALL INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS**

BOARD OF TRUSTEES

Michael Pratt	President
Matt Schiel	Vice President
Kathy Handler	Secretary
Lee McLeod	Assistant Secretary
John E. McStravick	Trustee
Justin Unser	Trustee
Mark Lewandowski	Trustee

ADMINISTRATION

Dr. Martha Salazar-Zamora	Superintendent
Dr. Amy Schindewolf	Chief Academic Officer
Dr. Steven Gutierrez	Chief Operating Officer
Jim Ross	Chief Financial Officer
Dr. Jeff McCanna	Chief Talent Officer

CONSULTANTS AND ADVISORS

Bracewell & Giuliani, LLP
Rogers, Morris & Grover, LLP
Thompson & Horton, LLP
Houston, Texas – General Counsel

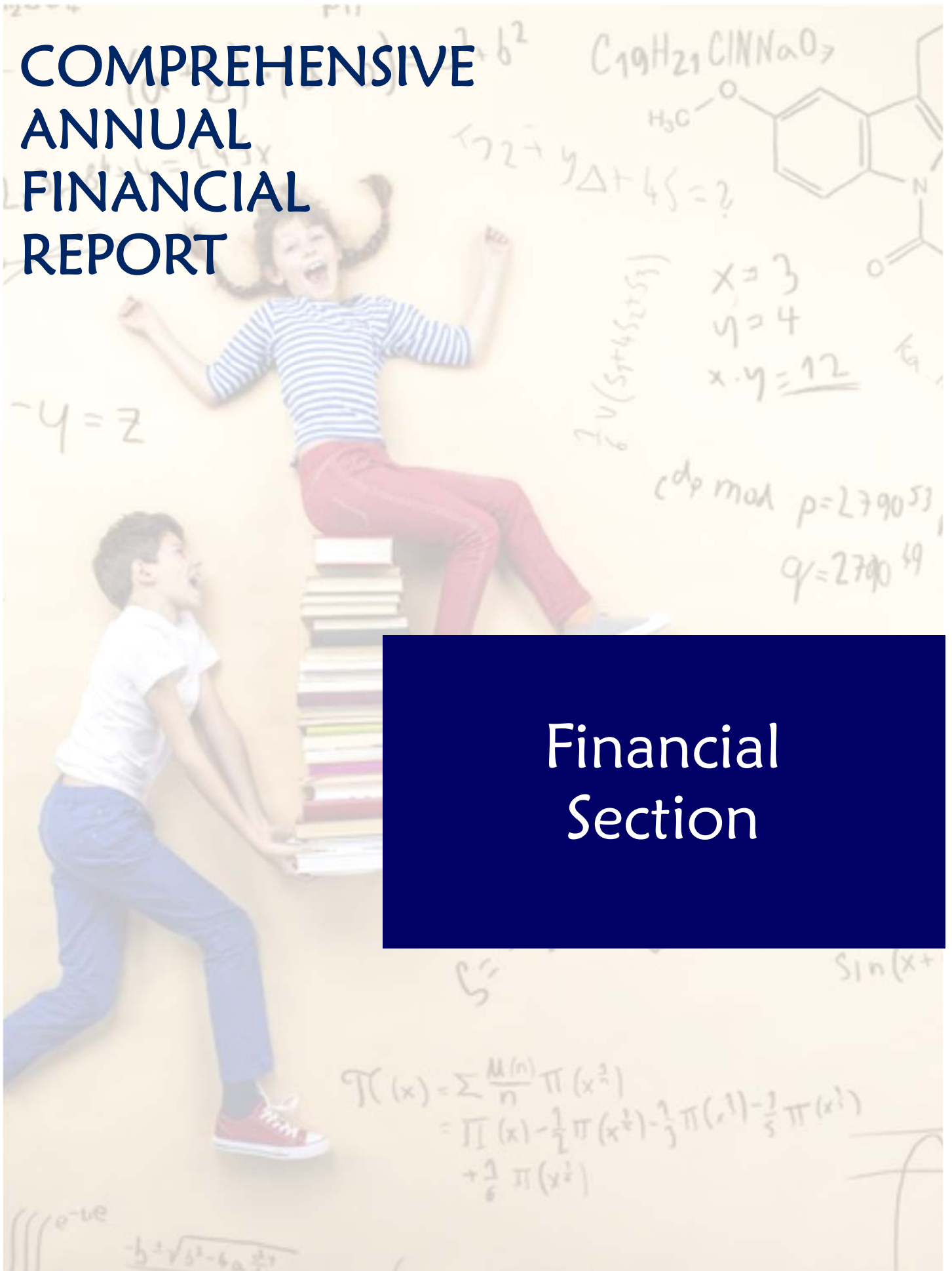
Weaver and Tidwell, LLP
Conroe, Texas – Independent Auditors

Orrick, Herrington & Sutcliffe LLP
Houston, Texas – Bond Counsel

BOK Financial Securities, Inc.
Houston, Texas – Financial Advisor

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Financial Section



Independent Auditor's Report

The Board of Trustees of
Tomball Independent School District
310 South Cherry Street
Tomball, Texas 77375

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tomball Independent School District (the District), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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 and the Required Supplementary Information, as listed in 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.

Supplementary and 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, Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections (Other Information) 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.

The Board of Trustees of
Tomball Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
October 22, 2020

Management's Discussion and Analysis

As management of the Tomball Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation, net taxes receivable, and claims payable of the District's self-insured workers' compensation program.

Financial Highlights

- Assets and deferred outflows of resources were exceeded by liabilities and deferred inflows of resources at year-end by (\$12,469,144) (net position/(deficit)).
- The District's total deficit net position decreased by \$8,201,473 from current operations.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$281,088,350, an increase of \$41,121,545 as compared to the preceding year.
- At the end of the year, unassigned fund balance of the general fund was \$79,903,039 or 57 percent of the year's total general fund expenditures.
- The District's total bonded debt increased by \$108,498,561 (20 percent) during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report contains required supplementary information and supplementary and other information in addition to the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position/(deficit)*. Over time, increases or decreases in net position/(deficit) may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position/(deficit) changed during the year. Changes in net position/(deficit) are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and incurred but unpaid workers' compensation benefits).

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes and intergovernmental revenues. The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges.*

The business-type activities include Early Excellence Academy.

The government-wide financial statements can be found as noted in the table of contents of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of cash resources*, as well as on *balances of cash resources* available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained twenty-two individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects funds, which are considered to be major funds. Data from the other nineteen governmental funds are combined into a single, aggregated presentation titled *total nonmajor funds*.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison statement has been provided for the general fund, debt service fund, and national school breakfast and lunch program special revenue fund to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

Proprietary Fund. The District maintains two types of proprietary funds. An internal service fund is a type of proprietary fund that uses an accounting process which accumulates and allocates costs internally among the District's various funds and functions. The District uses the internal service fund to account for its self-funded workers' compensation program. Because this service predominantly benefits governmental operations, their financial activities have been included within *governmental activities* in the government-wide financial statements. Enterprise funds are used to report activities for which fees are charged to external users for goods or services (business-type activities). The function of the District's enterprise fund is to provide day care services for children of District employees. A fee is charged for these services.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, only in more detail. The internal service fund financial statements are provided with the basic financial statements and provide information for the self-funded workers' compensation program.

The basic proprietary fund financial statements are noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of students and student organizations. 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 and activities. A statement of fiduciary assets and liabilities is presented for fiduciary funds, as noted in the table of contents of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are noted in the table of contents of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

Government-wide Financial Analysis

As mentioned earlier, net position/(deficit) may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, assets and deferred outflows of resources were exceeded by liabilities and deferred inflows of resources by (\$12,469,144), an increase of \$8,201,473 from current operations.

Tomball Independent School District's Net Position/(Deficit)

	Governmental Activities		Business-type Activities		Total	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Current and other assets	\$ 324,861,541	\$ 264,820,207	\$ 33,315	\$ -	\$ 324,894,856	\$ 264,820,207
Capital assets, net of depreciation	450,531,876	366,359,311	-	-	450,531,876	366,359,311
Total assets	775,393,417	631,179,518	33,315	-	775,426,732	631,179,518
Total deferred outflows of resources	47,876,390	47,137,926	-	-	47,876,390	47,137,926
Long-term liabilities outstanding	759,673,996	652,184,115	-	-	759,673,996	652,184,115
Other liabilities	44,732,155	26,637,208	33,315	-	44,765,470	26,637,208
Total liabilities	804,406,151	678,821,323	33,315	-	804,439,466	678,821,323
Total deferred inflows of resources	31,332,800	20,166,738	-	-	31,332,800	20,166,738
Net position (deficit):						
Net investment in capital assets	(28,823,961)	(32,194,940)	-	-	(28,823,961)	(32,194,940)
Restricted	16,187,391	12,887,955	-	-	16,187,391	12,887,955
Unrestricted	167,426	(1,363,632)	-	-	167,426	(1,363,632)
Total net position (deficit)	\$ (12,469,144)	\$ (20,670,617)	\$ -	\$ -	\$ (12,469,144)	\$ (20,670,617)

Net investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, and construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. The related debt is adjusted for capital project funds that were expended, but not capitalized. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position/(deficit) of \$16,187,391 is restricted for future debt service, grant expenses, and state mandated programs.

The remaining balance of net position/(deficit), unrestricted \$167,426, may be used to meet the District's ongoing obligations to students and creditors.

Governmental Activities. Governmental activities decreased the District's deficit net position by \$8,201,473 from current operations. Key elements of this change are as follows:

Tomball Independent School District's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	Ten Months		Ten Months		Ten Months	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,974,710	\$ 6,441,609	\$ 200,473	\$ -	\$ 6,175,183	\$ 6,441,609
Operating grants and contributions	25,184,900	20,260,367	-	-	25,184,900	20,260,367
General revenues:						
Property taxes, levied for general purposes	109,963,955	107,847,269	-	-	109,963,955	107,847,269
Property taxes, levied for debt service	36,475,518	31,368,087	-	-	36,475,518	31,368,087
Grants and contributions not restricted to specific programs	32,185,392	22,626,613	-	-	32,185,392	22,626,613
Investment earnings	3,893,169	5,010,899	-	-	3,893,169	5,010,899
Miscellaneous	379,426	117,865	-	-	379,426	117,865
Total revenues	214,057,070	193,672,709	200,473	-	214,257,543	193,672,709
Expenses:						
Instruction	117,162,418	98,736,401	-	-	117,162,418	98,736,401
Instructional resources and media services	1,972,057	1,909,061	-	-	1,972,057	1,909,061
Curriculum and instructional staff development	2,214,857	2,247,688	-	-	2,214,857	2,247,688
Instructional leadership	2,479,772	1,750,670	-	-	2,479,772	1,750,670
School leadership	10,229,337	8,979,025	-	-	10,229,337	8,979,025
Guidance, counseling, and evaluation services	5,607,775	5,135,869	-	-	5,607,775	5,135,869
Social work services	70,272	68,651	-	-	70,272	68,651
Health services	1,970,060	1,868,316	-	-	1,970,060	1,868,316
Student transportation	7,902,297	6,657,611	-	-	7,902,297	6,657,611
Food services	7,996,647	6,839,518	-	-	7,996,647	6,839,518
Extracurricular activities	6,082,895	5,595,138	-	-	6,082,895	5,595,138
General administration	5,014,025	3,589,984	-	-	5,014,025	3,589,984
Plant maintenance and operations	12,984,598	10,813,112	-	-	12,984,598	10,813,112
Security and monitoring services	708,438	809,451	-	-	708,438	809,451
Data processing services	2,106,844	1,844,223	-	-	2,106,844	1,844,223
Community services	103,157	54,034	-	-	103,157	54,034
Interest on long-term debt	18,862,975	15,460,435	-	-	18,862,975	15,460,435
Issuance costs and fees	1,052,253	9,716	-	-	1,052,253	9,716
Payments to juvenile justice alternative education programs	3,000	22,800	-	-	3,000	22,800
Other intergovernmental charges	1,082,229	1,050,348	-	-	1,082,229	1,050,348
Early Excellence Academy	-	-	450,164	-	450,164	-
Total expenses	205,605,906	173,442,051	450,164	-	206,056,070	173,442,051
Increase in net position before transfers	8,451,164	20,230,658	(249,691)	-	8,201,473	20,230,658
Transfers	(249,691)	-	249,691	-	-	-
Change in net position	8,201,473	20,230,658	-	-	8,201,473	20,230,658
Net position - beginning	(20,670,617)	(40,901,275)	-	-	(20,670,617)	(40,901,275)
Net position (deficit) - ending	<u>\$(12,469,144)</u>	<u>\$(20,670,617)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(12,469,144)</u>	<u>\$(20,670,617)</u>

The current period increase in net position/(deficit) resulted primarily from the increase in grants and contributions, which resulted primarily from an increase in state allotment.

Revenues, aggregating \$214,057,070 were generated primarily from two sources. Property taxes of \$146,439,473 represent 68 percent of total revenues while grants and contributions, including those not restricted for specific program use as well as for general operations, total \$57,370,292 and represent 27 percent of total revenues. The increase in grants and contributions is the result of an increase in state allotment. The remaining 5 percent is generated from investment earnings, charges for services, and miscellaneous revenues.

The primary functional expenses of the District is *Instruction* \$117,162,418, which represents 57 percent of total expenses, while all remaining expense categories are individually 9 percent or less of total expenses. The major change in the current year is instruction which was effected by district growth, an increase in salary rates, and the recognition of twelve months of expenditures compared to ten months in the prior year.

Business-type activities. Business-type activities were implemented in the current year and currently have no net position, due to transfers from general fund to support start up costs for Early Excellence Academy.

Financial Analysis of the Government's Funds

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

Governmental Funds. At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$281,088,350, an increase of \$41,121,545 from the preceding year. Comments as to each individual major fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$79,903,039, while total fund balance was \$91,584,827. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 57 percent of total general fund expenditures, while total fund balance represents 65 percent of that same total. The fund balance of the general fund increased \$11,756,425 during the year, primarily due to the increase in state allotment.

The debt service fund ended the year with a total fund balance of \$16,082,236, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$1,337,623 during the year, primarily as a result of property tax revenue increase from the \$0.02 increase in debt service tax rate and increased property values exceeded the increase in debt requirements.

The capital projects fund ended the year with a total fund balance of \$169,767,274, all of which is restricted for capital acquisitions and contractual obligations. The net increase in fund balance during the current year in the capital projects fund was \$28,349,953 due to the proceeds from a new bond issuance.

Governmental funds financial statements may be found by referring to the table of contents.

Proprietary Funds. The District's proprietary fund financial statements, reflect the District's internal service fund created for its self-funded workers' compensation program and the District's enterprise fund for community programs. The net change in assets of the internal service fund is eliminated and allocated to the governmental expenses in the government-wide financial statements.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year. The state program revenue original budget increased \$13.6 million for an increase in the foundation allotment for state funding as a result of the decrease in property tax revenue, and to amend expenditures relative to COVID.

There were no significant variations between the final budget and actual results of the general fund.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2020 was \$450,531,876 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and construction in progress. The increase in investment in capital assets for the current fiscal year was \$84,172,565.

Tomball Independent School District's Capital Assets (net of depreciation)

	Governmental Activities					
	June 30, 2020		June 30, 2019		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 37,615,210	8	\$ 35,550,431	10	\$ 2,064,779	6
Buildings and improvements	292,860,844	65	303,009,350	83	(10,148,506)	(3)
Furniture and equipment	15,185,392	4	15,873,891	4	(688,499)	(4)
Construction in progress	104,870,430	23	11,925,639	3	92,944,791	779
Totals	\$ 450,531,876	100	\$ 366,359,311	100	\$ 84,172,565	

Major capital asset activity during the year included the following:

- Buses \$312,012
- Building and construction in progress additions \$97,612,887

Commitments. At the end of the current fiscal year, the District's commitments with construction contractors totaled \$117,193,296.

Additional information on the District's capital assets can be found in in the notes to the financial statements as per the table of contents.

Long-term Liabilities. At year-end, the District had the following long-term liabilities:

Tomball Independent School District's Long-term Liabilities Outstanding

	Governmental Activities					
	June 30, 2020		June 30, 2019		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds	\$ 657,380,053	87	\$ 548,881,402	84	\$ 108,498,651	20
Workers' compensation	289,210	-	287,838	-	1,372	-
Net pension liability	47,449,886	6	47,466,948	7	(17,062)	-
Net OPEB liability	54,554,847	7	55,547,927	9	(993,080)	(2)
Totals	\$ 759,673,996	100	\$ 652,184,115	100	\$ 107,489,881	

The District's total bonded debt increased by \$108,498,651 (20 percent) during the current fiscal year, which resulted primarily from a building bonds issuance. State statutes do not limit the tax rate or amount of local tax support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt, net pension liability, and OPEB liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

Economic Factors and Next Year's Budget and Rates

- School year (2020-21) student enrollment is 18,443, a 1 percent increase from the preceding year.
- District staff totals 2,462 employees in 2020-21, excluding substitutes and other part-time employees, of which 1,275 are teachers and 374 are teacher aides and secretaries.
- The District maintains twenty-one regular education campuses, including an alternative campus for student instruction.
- Property values of the District are projected to increase 5% for the 2020-21 year.
- A maintenance and operations tax rate of \$0.94 and a debt service tax rate of \$0.35, a total rate of \$1.29 were adopted for 2020-21. Preceding year rates were \$0.97, \$0.32 and \$1.29, respectively.

All of these factors and others were considered in preparing the District's budget for the 2020-21 fiscal year.

During 2019-20, fund balance in the general fund increased to \$91,584,827. District Policy requires the District to maintain an operating cash reserve fund balance each fiscal year end that equals or exceeds the amount necessary to cover three months of the District's average operating expenses for the coming year. The total general fund balance is more than three months of average operating expenses.

Requests for Information

This financial report is intended to provide a general overview of the District's finances for those with an interest in this information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Tomball Independent School District, 310 South Cherry Street, Tomball, Texas 77375.

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Basic Financial Statements

Tomball Independent School District
Statement of Net Position
June 30, 2020

Exhibit A-1

Data Control Codes	Primary Government			
	1	2	3	
	Governmental Activities	Business-type Activities	Total	
ASSETS				
1110	Cash and cash equivalents	\$ 9,945,943	\$ -	\$ 9,945,943
1120	Investments	299,235,571	-	299,235,571
1220	Property taxes receivables	4,989,475	-	4,989,475
1230	Allowance for uncollectable taxes	(1,251,203)	-	(1,251,203)
1240	Due from other governments	10,787,219	-	10,787,219
1260	Internal balances	(33,315)	33,315	-
1290	Other receivables	254,872	-	254,872
1300	Inventories	517,146	-	517,146
1410	Prepaid items	385,871	-	385,871
1490	Other current assets	29,962	-	29,962
	Capital assets:			
1510	Land and improvements	37,615,210	-	37,615,210
1520	Buildings and improvements (net)	292,860,844	-	292,860,844
1530	Furniture and equipment (net)	15,185,392	-	15,185,392
1580	Construction in progress	104,870,430	-	104,870,430
1000	Total assets	775,393,417	33,315	775,426,732
DEFERRED OUTFLOWS OF RESOURCES				
1705	Deferred outflows - pension	25,358,860	-	25,358,860
1706	Deferred outflows - OPEB	14,260,588	-	14,260,588
1710	Deferred charge on refunding	8,256,942	-	8,256,942
1700	Total deferred outflows of resources	47,876,390	-	47,876,390
LIABILITIES				
2110	Accounts payable	22,458,527	968	22,459,495
2140	Interest payable	7,938,084	-	7,938,084
2160	Accrued wages payable	13,621,117	32,347	13,653,464
2180	Due to other governments	6	-	6
2300	Unearned revenue	714,421	-	714,421
	Noncurrent liabilities:			
2501	Due within one year	17,004,210	-	17,004,210
2502	Due in more than one year	640,665,053	-	640,665,053
2540	Net pension liability	47,449,886	-	47,449,886
2545	Net OPEB liability	54,554,847	-	54,554,847
2000	Total liabilities	804,406,151	33,315	804,439,466
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	7,731,563	-	7,731,563
2606	Deferred inflows - OPEB	23,601,237	-	23,601,237
2600	Total deferred inflows of resources	31,332,800	-	31,332,800
NET POSITION (DEFICIT)				
3200	Net investment in capital assets	(28,823,961)	-	(28,823,961)
3820	Restricted for grants and state mandated programs	7,146,054	-	7,146,054
3850	Restricted for debt service	9,041,337	-	9,041,337
3900	Unrestricted	167,426	-	167,426
3000	TOTAL NET POSITION (DEFICIT)	\$ (12,469,144)	\$ -	\$ (12,469,144)

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Data Control Codes	Functions/Programs	1	3	4
		Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities			
0011	Instruction	\$ 117,162,418	\$ 1,086,880	\$ 15,475,060
0012	Instructional resources and media services	1,972,057	137,232	169,070
0013	Curriculum and instructional staff development	2,214,857	18,536	642,203
0021	Instructional leadership	2,479,772	-	337,387
0023	School leadership	10,229,337	-	882,548
0031	Guidance, counseling, and evaluation services	5,607,775	-	880,798
0032	Social work services	70,272	-	5,287
0033	Health services	1,970,060	-	204,110
0034	Student transportation	7,902,297	-	404,278
0035	Food services	7,996,647	2,968,447	3,966,205
0036	Extracurricular activities	6,082,895	1,590,711	576,044
0041	General administration	5,014,025	-	380,056
0051	Plant maintenance and operations	12,984,598	172,904	424,591
0052	Security and monitoring services	708,438	-	179,637
0053	Data processing services	2,106,844	-	103,169
0061	Community services	103,157	-	60,193
0072	Interest on long-term debt	18,862,975	-	494,264
0073	Issuance costs and fees	1,052,253	-	-
0095	Payments to juvenile justice alternative education programs	3,000	-	-
0099	Other intergovernmental charges	1,082,229	-	-
TG	Total governmental activities	<u>205,605,906</u>	<u>5,974,710</u>	<u>25,184,900</u>
	Business-type activities			
01	Early Excellence Academy	<u>450,164</u>	<u>200,473</u>	<u>-</u>
	Total business-type activities	<u>450,164</u>	<u>200,473</u>	<u>-</u>
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 206,056,070</u>	<u>\$ 6,175,183</u>	<u>\$ 25,184,900</u>
	General revenues			
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted to specific programs			
IE	Investment earnings			
MI	Miscellaneous			
FR	Transfers			
TR	Total general revenues			
CN	Change in net position			
NB	Net position(deficit) - beginning			
NE	NET POSITION (DEFICIT) - ENDING			

The Notes to the Financial Statements are an integral part of this statement.

6	7	8
Net (Expense) Revenue and Change in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (100,600,478)	\$ -	\$ (100,600,478)
(1,665,755)	-	(1,665,755)
(1,554,118)	-	(1,554,118)
(2,142,385)	-	(2,142,385)
(9,346,789)	-	(9,346,789)
(4,726,977)	-	(4,726,977)
(64,985)	-	(64,985)
(1,765,950)	-	(1,765,950)
(7,498,019)	-	(7,498,019)
(1,061,995)	-	(1,061,995)
(3,916,140)	-	(3,916,140)
(4,633,969)	-	(4,633,969)
(12,387,103)	-	(12,387,103)
(528,801)	-	(528,801)
(2,003,675)	-	(2,003,675)
(42,964)	-	(42,964)
(18,368,711)	-	(18,368,711)
(1,052,253)	-	(1,052,253)
(3,000)	-	(3,000)
(1,082,229)	-	(1,082,229)
<u>(174,446,296)</u>	<u>-</u>	<u>(174,446,296)</u>
<u>-</u>	<u>(249,691)</u>	<u>(249,691)</u>
<u>-</u>	<u>(249,691)</u>	<u>(249,691)</u>
(174,446,296)	(249,691)	(174,695,987)
109,963,955	-	109,963,955
36,475,518	-	36,475,518
32,185,392	-	32,185,392
3,893,169	-	3,893,169
379,426	-	379,426
(249,691)	249,691	-
<u>182,647,769</u>	<u>249,691</u>	<u>182,897,460</u>
8,201,473	-	8,201,473
<u>(20,670,617)</u>	<u>-</u>	<u>(20,670,617)</u>
<u>\$ (12,469,144)</u>	<u>\$ -</u>	<u>\$ (12,469,144)</u>

Tomball Independent School District
 Balance Sheet
 Governmental Funds
 June 30, 2020

<u>Data Control Codes</u>	199	599
	<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS		
1110 Cash and cash equivalents	\$ 7,347,073	\$ 57,959
1120 Investments	54,896,760	16,024,393
1220 Property taxes receivables	3,792,001	1,197,474
1230 Allowance for uncollectable taxes	(950,914)	(300,289)
1240 Due from other governments	9,243,852	-
1260 Due from other funds	36,917,635	37,250
1290 Other receivables	254,872	-
1300 Inventories	383,436	-
1410 Prepaid items	380,424	-
	<hr/>	<hr/>
1000 Total assets	112,265,139	17,016,787
1000a TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 112,265,139</u>	<u>\$ 17,016,787</u>
LIABILITIES		
2110 Accounts payable	\$ 2,876,898	\$ 37,366
2160 Accrued wages payable	13,263,504	-
2170 Due to other funds	1,698,817	-
2180 Due to other governments	6	-
2300 Unearned revenue	-	-
	<hr/>	<hr/>
2000 Total liabilities	17,839,225	37,366
DEFERRED INFLOWS OF RESOURCES		
2600 Unavailable revenue - property taxes	2,841,087	897,185
	<hr/>	<hr/>
Total deferred inflows of resources	2,841,087	897,185
FUND BALANCES		
Nonspendable:		
3410 Inventories	383,436	-
3430 Prepaid items	380,424	-
Restricted for:		
3450 Grants	-	-
3450 State mandated programs	5,557,512	-
3470 Capital acquisitions and contractual obligations	-	-
3480 Debt service	-	16,082,236
Committed to:		
3545 Other	3,810,860	-
Assigned to:		
3590 Purchases on order	1,549,556	-
3600 Unassigned	79,903,039	-
	<hr/>	<hr/>
3000 Total fund balances	91,584,827	16,082,236
4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 112,265,139</u>	<u>\$ 17,016,787</u>

The Notes to the Financial Statements are an integral part of this statement.

699	Total	98
Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
\$ -	\$ 2,540,911	\$ 9,945,943
224,976,299	-	295,897,452
-	-	4,989,475
-	-	(1,251,203)
-	1,543,367	10,787,219
-	1,628,252	38,583,137
-	-	254,872
-	133,710	517,146
-	5,447	385,871
224,976,299	5,851,687	360,109,912
\$ 224,976,299	\$ 5,851,687	\$ 360,109,912
\$ 19,208,798	\$ 208,232	\$ 22,331,294
-	357,613	13,621,117
36,000,227	917,408	38,616,452
-	-	6
-	714,421	714,421
55,209,025	2,197,674	75,283,290
-	-	3,738,272
-	-	3,738,272
-	-	383,436
-	-	380,424
-	1,588,542	1,588,542
-	-	5,557,512
169,767,274	-	169,767,274
-	-	16,082,236
-	2,065,471	5,876,331
-	-	1,549,556
-	-	79,903,039
169,767,274	3,654,013	281,088,350
\$ 224,976,299	\$ 5,851,687	\$ 360,109,912

Tomball Independent School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2020

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1) \$ 281,088,350

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

Governmental capital assets costs	\$ 638,471,211	
Accumulated depreciation of governmental capital assets	<u>(187,939,335)</u>	450,531,876

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. 3,738,272

Long-term liabilities, including bonds payable and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (587,705,000)	
Premium on bonds payable	(69,675,053)	
Accrued interest on the bonds	(7,938,084)	
Net pension liability	(47,449,886)	
Net OPEB liability	<u>(54,554,847)</u>	(767,322,870)

An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 2,951,638

Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the governmental funds due to it is not a current financial resource available to pay for current expenditures. 8,256,942

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then. 25,358,860

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (7,731,563)

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then. 14,260,588

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (23,601,237)

TOTAL NET POSITON (DEFICIT) - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) \$ (12,469,144)

Tomball Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

Data Control Codes		199	599
		General Fund	Debt Service Fund
REVENUES			
5700	Local and intermediate sources	\$ 111,840,039	\$ 36,464,604
5800	State program revenues	38,500,605	494,264
5900	Federal program revenues	1,723,836	-
5020	Total revenues	152,064,480	36,958,868
EXPENDITURES			
Current:			
0011	Instruction	89,205,074	-
0012	Instructional resources and media services	1,494,700	-
0013	Curriculum and instructional staff development	1,519,623	-
0021	Instructional leadership	2,103,374	-
0023	School leadership	8,982,716	-
0031	Guidance, counseling, and evaluation services	4,569,809	-
0032	Social work services	65,995	-
0033	Health services	1,723,949	-
0034	Student transportation	6,711,983	-
0035	Food services	-	-
0036	Extracurricular activities	3,091,648	-
0041	General administration	4,734,468	-
0051	Plant maintenance and operations	12,212,358	-
0052	Security and monitoring services	596,583	-
0053	Data processing services	1,960,752	-
0061	Community services	103	-
Debt service:			
0071	Principal on long-term debt	-	14,685,000
0072	Interest on long-term debt	-	20,782,224
0073	Issuance costs and fees	-	1,052,253
Capital outlay:			
0081	Facilities acquisition and construction	-	-
Intergovernmental:			
0095	Payments to juvenile justice alternative education programs	3,000	-
0099	Other intergovernmental charges	1,082,229	-
6030	Total expenditures	140,058,364	36,519,477
1100	Excess (deficiency) of revenues over expenditures	12,006,116	439,391
OTHER FINANCING SOURCES (USES)			
7901	Refunding bonds issued	-	25,650,000
7911	Capital-related debt issued (regular bonds)	-	-
7916	Premium on issuance of bonds	-	898,232
8911	Transfers out	(249,691)	-
8940	Payment to bond refunding escrow agent	-	(25,650,000)
7080	Total other financing sources (uses)	(249,691)	898,232
1200	Net change in fund balances	11,756,425	1,337,623
0100	Fund balances - beginning	79,828,402	14,744,613
3000	FUND BALANCES - ENDING	\$ 91,584,827	\$ 16,082,236

The Notes to the Financial Statements are an integral part of this statement.

699	Total	98
Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
\$ 2,182,035	\$ 6,070,631	\$ 156,557,309
-	2,750,344	41,745,213
-	7,169,735	8,893,571
<hr/>	<hr/>	<hr/>
2,182,035	15,990,710	207,196,093
544,946	6,674,197	96,424,217
-	174,132	1,668,832
-	464,023	1,983,646
-	74,981	2,178,355
5,464	-	8,988,180
-	364,319	4,934,128
-	-	65,995
-	27,900	1,751,849
312,012	-	7,023,995
-	6,763,393	6,763,393
-	1,643,566	4,735,214
17,287	-	4,751,755
31,166	-	12,243,524
260,051	103,471	960,105
-	-	1,960,752
48,269	23,184	71,556
-	-	14,685,000
-	-	20,782,224
-	-	1,052,253
97,612,887	-	97,612,887
-	-	3,000
-	-	1,082,229
<hr/>	<hr/>	<hr/>
98,832,082	16,313,166	291,723,089
(96,650,047)	(322,456)	(84,526,996)
-	-	25,650,000
108,355,000	-	108,355,000
16,645,000	-	17,543,232
-	-	(249,691)
-	-	(25,650,000)
<hr/>	<hr/>	<hr/>
125,000,000	-	125,648,541
28,349,953	(322,456)	41,121,545
<hr/>	<hr/>	<hr/>
141,417,321	3,976,469	239,966,805
<hr/>	<hr/>	<hr/>
<u>\$ 169,767,274</u>	<u>\$ 3,654,013</u>	<u>\$ 281,088,350</u>

Tomball Independent School District
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2020

Exhibit C-3

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2) \$ 41,121,545

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capital assets <i>increased</i>	\$ 98,738,999	
Depreciation expense	<u>(14,566,434)</u>	84,172,565

Because property taxes will be collected after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable tax revenues increased (decreased) by this amount this year. 793,948

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Par value	\$ (134,005,000)	
Premium on issuance of bonds	<u>(17,543,232)</u>	(151,548,232)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 14,685,000

Payment to escrow agent to refund bonds from refunding proceeds. 25,650,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The increase (decrease) in interest reported in the statement of activities consist of the following:

Accrued interest on current interest bonds payable (<i>increased</i>) decreased	\$ (142,444)	
Amortization of bond premium	2,714,581	
Amortization of deferred charge on refunding	<u>(652,888)</u>	1,919,249

An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The net activity of the internal service fund was reported in the government-wide statements. 171,966

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (1,986,985)	
Deferred inflows (increased) decreased	(5,130,418)	
Net pension liability (increased) decreased	<u>17,062</u>	(7,100,341)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ 3,378,337	
Deferred inflows (increased) decreased	(6,035,644)	
Net OPEB liability (increased) decreased	<u>993,080</u>	<u>(1,664,227)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1) \$ 8,201,473

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Net Position
Proprietary Funds
June 30, 2020

Exhibit D-1

<u>Data Control Codes</u>		711	755
		<u>Business-type Activities</u>	<u>Governmental Activities</u>
		<u>Enterprise Fund Early Excellence Academy</u>	<u>Internal Service Fund</u>
ASSETS			
	Current assets:		
1120	Investments	\$ -	\$ 3,338,119
1260	Due from other funds	33,315	-
1490	Other current assets	-	29,962
	Total current assets	<u>33,315</u>	<u>3,368,081</u>
1000	Total assets	33,315	3,368,081
LIABILITIES			
	Current liabilities:		
2110	Accounts payable	968	127,233
2123	Claims payable - due within one year	-	289,210
2160	Accrued wages payable	32,347	-
	Total current liabilities	<u>33,315</u>	<u>416,443</u>
2000	Total liabilities	33,315	416,443
NET POSITION			
3900	Unrestricted	-	2,951,638
3000	TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 2,951,638</u>

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

Exhibit D-2

<u>Data Control Codes</u>		711	755
		<u>Business-type Activities Enterprise Fund Early Excellence Academy</u>	<u>Governmental Activities Internal Service Fund</u>
	OPERATING REVENUES		
5700	Charges for services	\$ 200,473	\$ -
5754	Interfund services provided	-	636,680
5020	Total operating revenues	200,473	636,680
	OPERATING EXPENSES		
6100	Payroll costs	427,711	-
6200	Professional and contracted services	2,714	314,250
6300	Supplies and materials	7,866	-
6400	Other operating costs	11,873	195,284
6030	Total operating expenses	450,164	509,534
	Operating income (loss)	(249,691)	127,146
	NONOPERATING REVENUES		
7915	Transfers in	249,691	-
7955	Earnings from temp. deposits and investments	-	44,820
8030	Total nonoperating revenues	249,691	44,820
1300	Change in net position	-	171,966
0100	Net position - beginning	-	2,779,672
3300	NET POSITION - ENDING	<u>\$ -</u>	<u>\$ 2,951,638</u>

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

Exhibit D-3

	711	755
	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund Early Excellence Academy</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from employer	\$ -	\$ 636,680
Cash received from service provided	167,158	-
Cash payments for claims, net of stop loss reimbursements	-	(167,931)
Cash payments for payroll costs	(395,364)	-
Cash payments for contracted services and supplies and materials	(21,485)	(314,250)
	<u>(249,691)</u>	<u>154,499</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	249,691	-
	<u>249,691</u>	<u>-</u>
Net cash provided by noncapital financing activities	249,691	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received on investments	-	44,820
Purchase of investments	-	(199,319)
	<u>-</u>	<u>(154,499)</u>
Net cash used for investing activities	-	(154,499)
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (249,691)	\$ 127,146
Change in assets and liabilities:		
Increase in due from other funds	(33,315)	-
Increase in accounts payable	968	25,981
Increase in claims payable	-	1,372
Increase in accrued wages payable	32,347	-
	<u>32,347</u>	<u>-</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (249,691)</u>	<u>\$ 154,499</u>

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2020

Exhibit E-1

865

<u>Data Control Codes</u>		<u>Total Agency Funds</u>
	ASSETS	
1110	Cash and cash equivalents	\$ 441,397
1120	Investments	<u>578,212</u>
1000	TOTAL ASSETS	<u>\$ 1,019,609</u>
	LIABILITIES	
2190	Due to student groups	\$ 441,397
2,440	Due to other organizations	<u>578,212</u>
2000	TOTAL LIABILITIES	<u>\$ 1,019,609</u>

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Tomball Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Direct expenses are not eliminated from the various functional categories. Interfund services that are provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Depreciation expense and workers' compensation claims have been allocated to all applicable functions in order to present the expenses of the District more accurately in the statement of activities. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Where applicable, certain indirect costs are included in program expenses reported for individual functions and activities. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The accounting policies of the District comply with the rules prescribed in the Texas Education Agency's (TEA) Financial Accountability System Resource Guide. These accounting policies conform to generally accepted accounting principles (GAAP) applicable to state and local governments.

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

The fiduciary funds financial statement reflects the District's agency funds. The agency funds report only assets and liabilities and do not have a measurement focus.

Tomball Independent School District

Notes to the Financial Statements

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 property tax revenues to be available when collected and all other revenues within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pension liability, OPEB liability, compensated absences, and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has 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 120 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 this revenue source (within 120 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The District's accounting system is organized and operated on the basis of funds, each of which is a separate accounting entity with a self-balancing set of accounts. The District's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded by certain local, state and federal sources, school construction and debt service.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The primary revenue source is local property taxes levied specifically for debt service.

The *capital projects fund* accounts for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds.

The District reports the following nonmajor governmental funds:

The *nonmajor special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.

The District reports the following proprietary fund types:

The *enterprise fund* accounts for the operations of the District's daycare center.

The *internal service fund* accounts for workers' compensation claims and administrative expenses provided for other funds of the District on a cost reimbursement basis.

Tomball Independent School District

Notes to the Financial Statements

Additionally, the District reports the following fiduciary fund type:

The *agency funds* account for assets held by the District for student organizations and Tomball Scholarship Foundation. The funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services that are provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for interfund services provided. Operating expenses for the internal service fund includes the cost of services and administrative expenses. The principal operating revenues of the District's enterprise fund are fees charged for daycare services. Operating expenses of the enterprise fund include the cost of payroll, contracted services, supplies, and other miscellaneous operating costs to run the program. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses for the internal service fund and the enterprise fund.

D. 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 and bank demand deposits with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the District, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end and are shown net of an allowance for uncollectibles. Net property tax receivables are stated at the amount estimated to be collectible based on the District's collection experience. Revenues from property taxes are recognized when levied to the extent they are available (collected within 60 days after the close of the fiscal year). However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements.

Tomball Independent School District

Notes to the Financial Statements

Property values are determined by the County Central Appraisal District as of January 1 of each year. Prior to July 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year. Delinquent taxes collected are prorated between the general fund and the debt service fund based on rates adopted for the year of the levy. Deferred inflows of resources are recorded in an amount equal to the net taxes receivable.

4. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

5. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, and furniture and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years.

As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Lives</u>
Buildings and improvements	7-54
Furniture and equipment	5-20

6. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. The District does not have a liability for unpaid vacation at year-end due to the District's policy does not allow a carryover of vacation not taken at June 30.

Tomball Independent School District

Notes to the Financial Statements

7. Long-term Obligations

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

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

8. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. *Deferred inflows of resources* represent an acquisition of net position that applies to a future period(s) and 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 and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions after the measurement date which are recognized in the subsequent year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period collected.

9. 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.

10. 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). It is the District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as unrestricted (committed, assigned, and unassigned) fund balance in the governmental funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

Tomball Independent School District

Notes to the Financial Statements

11. Fund Balance Policies

In the fund financial statements, governmental funds report fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which the amounts in the respective governmental funds can be spent. The District reports the following classifications of fund balance:

The *nonspendable* classification accounts for amounts that are not in spendable form. The amounts reported in this category pertain to inventories and prepaid items that the District does not expect to convert to cash.

The *restricted* classification accounts for amounts that have external constraints imposed upon the use of the resources by bondholders, grantors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The amounts reported in this category include funding from external sources such as state and federal grants, tax levies for the repayment of principal and interest on long-term debt, and unspent bond proceeds for the construction and equipment of school facilities.

The *committed* classification accounts for amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts can only be used for the purpose intended, which requires formal Board action by passage of a resolution to establish (as noted in Board minutes), unless the Board modifies or removes the specified use by taking the same formal Board action. The amounts reported in this category include the campus activity fund balances in the special revenue fund and amounts committed for capital replacement projects strategic plan.

The *assigned* classification accounts for amounts that the District intends to use for a specific purpose. The Board delegates to the Superintendent or designee the responsibility to assign funds. The 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 exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. The amounts reported in this category include outstanding encumbrances at the end of the fiscal year.

The *unassigned* classification accounts for the residual amount in the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount.

In the general fund, the District shall maintain at a minimum assigned and unassigned fund balances equal to or exceeding three months of average operating expenditures of the current budget.

12. Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net 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 Pension Plan 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.

Tomball Independent School District

Notes to the Financial Statements

13. Other Postemployment Benefits

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

E. Use of Estimates

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

F. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, National School Breakfast/Lunch Program special revenue fund, and debt service fund. All other governmental funds adopt project-length budgets. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary amendments during the year.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Tomball Independent School District

Notes to the Financial Statements

Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:	
	Restricted Fund Balance	Assigned Fund Balance
General fund	\$ -	\$ 1,549,556
Nonmajor governmental fund	6,664	-
Capital projects fund	126,151,648	-
Total encumbrances	\$ 126,158,312	\$ 1,549,556

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in 1) Obligations of the United States or its agencies which are backed by the full faith and credit of the United States, obligations of the State of Texas or its agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized statistical rating organization (NRSRO) not less than A or its equivalent; 2) Certificates of deposit issued by a broker or depository located in Texas which is insured by the FDIC or purchased through a broker who has an office located in Texas; 3) Fully collateralized repurchase agreements secured by obligations of the United States or its agencies not to exceed 90 days to maturity from the date of purchase; 4) Securities lending program as permitted by Government Code 2256.0015; 5) Bankers acceptances with a stated maturity of 270 days or fewer which are eligible for collateral for borrowing from a Federal Reserve Bank; 6) Commercial paper if it has a stated maturity of 270 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; 7) No-load money market mutual funds which shall be registered with the Securities and Exchange Commission and have a dollar-weighted average stated maturity of 90 days or fewer; 8) No-load mutual funds which shall be registered with the Securities and Exchange Commission, have an average weighted maturity of less than two years, include investments that comply with the Public Funds Investment Act and are continuously rated not less than AAA by at least one NRSRO; 9) A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act; 10) Public funds investment pools which meet the requirements of the Public Funds Investment Act.

Tomball Independent School District

Notes to the Financial Statements

The District's investment balances, including fiduciary funds, weighted average maturity of such investments, and investment ratings are presented in the following table:

Investment Type	June 30, 2020	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured at cost, not subject to level reporting:				
Certificates of deposits	\$ 3,061,987	1%	46	Not rated**
Investments measured at amortized cost, not subject to level reporting:				
Investment pools:				
TexPool - Prime	226,338,554	75%	51	AAAm*
TexPool	56,611,764	19%	33	AAAm*
Lone Star Corporate Overnight Fund	307,441	0%	43	AAAm*
Investments measured at net asset value, not subject to level reporting:				
Investment pools:				
Texas CLASS	13,356,408	4%	64	AAAm*
Lone Star Corporate Overnight Plus Fund	137,629	0%	50	AAAf/Sl+*
Total	\$ 299,813,783	100%		
Portfolio weighted average maturity			48	

*Standard & Poor's Rating

**Certificates of deposit is collateralized and/or insured.

Certificates of deposit that are non-negotiable are reported at cost and are not subject to the fair value hierarchy reporting.

Investment pools are measured at amortized cost or fair value (net asset value). Such investment is not subject to the fair value hierarchy reporting.

TexPool and TexPool Prime are duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The portfolios consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds. TexPool Prime also consists of commercial paper and certificates of deposit.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Standish Mellon Asset Management and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

Tomball Independent School District

Notes to the Financial Statements

The TexPool, TexPool Prime and Lone Star Corporate Overnight investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and Lone Star Corporate Overnight have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The Lonestar Corporate Overnight Plus investment pool is an external investment pool measured at fair value. Lonestar Corporate Overnight Plus's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pool. Lonestar Corporate Overnight Plus has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity.

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local governmental funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust, Public Trust Advisors, LLC as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. The Texas CLASS investment pool is an external investment pool measured at fair value, i.e. net asset value. Texas CLASS's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rate money market mutual funds; and commercial paper.

Credit Risk

At year-end, the District's investments were rated as noted in the table on the previous page. All credit ratings met acceptable levels required by legal guidelines prescribed in both the Public Funds Investment Act and the District's investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days, and any other individual investment not to exceed two years from the time of purchase, unless specifically authorized by the Board of Trustees.

Tomball Independent School District

Notes to the Financial Statements

Concentration of Credit Risk

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2020, District's banks' balances, including fiduciary funds, of \$11,247,667 were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent and bank's agent in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, 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. District policy requires investments to be in the District's name or held by the District's agent in the District's name. The District is not exposed to custodial risk due to the investments are in the District's name or held by the District's agent in the District's name.

B. Receivables

Tax revenues of the general and debt service fund are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$ 222,507
Change in uncollectibles related to debt service property taxes	<u>70,265</u>
Total change in uncollectibles of the current fiscal year	<u>\$ 292,772</u>

Approximately 57% of the outstanding balance of property taxes is not anticipated to be collected within the next year.

C. Interfund Receivables, Payables, and Transfers

Receivables/Payables

The composition of interfund balances as of June 30, 2020, is as follows:

Funds	Interfund Receivables	Interfund Payables
General fund	\$ 36,917,635	\$ 1,698,817
Debt service fund	37,250	-
Capital project fund	-	36,000,227
Other governmental funds - nonmajor	1,628,252	917,408
Enterprise fund	<u>33,315</u>	<u>-</u>
Totals	<u>\$ 38,616,452</u>	<u>\$ 38,616,452</u>

Tomball Independent School District

Notes to the Financial Statements

Interfund balances consist of short-term lending/borrowing arrangements that generally result from payroll and other regularly occurring charges that are primarily paid by one fund and then charged back to the appropriate other fund. Balance between general fund and capital project fund is for construction costs of new school facilities to be reimbursed to the general fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

Transfers

The composition of interfund transfers between the various funds at June 30, 2020, is as follows:

Transfers Out	Transfer In	Amount
General fund	Enterprise fund	\$ 249,691
		<u>\$ 249,691</u>

The transfer was made to supplement the operations of the first year of the daycare center.

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Retirements, Transfers, and Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 35,550,431	\$ -	\$ 2,064,779	\$ 37,615,210
Construction in progress	11,925,639	97,612,887	(4,668,096)	104,870,430
Total capital assets, not being depreciated	47,476,070	97,612,887	(2,603,317)	142,485,640
Capital assets, being depreciated:				
Buildings and improvements	441,592,772	11,357	2,108,317	443,712,446
Furniture and equipment	50,663,370	1,114,755	495,000	52,273,125
Total capital assets, being depreciated	492,256,142	1,126,112	2,603,317	495,985,571
Less accumulated depreciation for:				
Buildings and improvements	(138,583,422)	(12,268,180)	-	(150,851,602)
Furniture and equipment	(34,789,479)	(2,298,254)	-	(37,087,733)
Total accumulated depreciation	(173,372,901)	(14,566,434)	-	(187,939,335)
Total capital assets, being depreciated, net	318,883,241	(13,440,322)	2,603,317	308,046,236
Governmental activities capital assets, net	<u>\$ 366,359,311</u>	<u>\$ 84,172,565</u>	<u>\$ -</u>	<u>\$ 450,531,876</u>

Tomball Independent School District

Notes to the Financial Statements

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

Governmental activities:	
11 Instruction	\$ 10,888,091
12 Instructional resources and media services	170,102
13 Curriculum and instructional staff development	2,844
21 Instructional leadership	4,271
23 School leadership	366,820
31 Guidance, counseling, and evaluation services	115,222
33 Health services	34,989
34 Student transportation	898,759
35 Food services	356,809
36 Extracurricular activities	1,053,179
41 General administration	1,398
51 Plant maintenance and operations	585,723
52 Security and monitoring services	6,063
53 Data processing services	81,553
61 Community services	611
Total depreciation expense-governmental activities	<u>\$ 14,566,434</u>

Construction Commitments

The District has active construction projects as of June 30, 2020. The projects include the construction and equipment of school facilities. At year end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
Tomball Memorial High School Expansion Project	\$ 30,449,374
Tomball Intermediate School Entrance Renovations	973,328
Tomball High School Ag Barn	771,475
Tomball Memorial High School Aquatic Center	4,609,990
Site Development - Rosehill Property	9,527,051
Grand Oaks Elementary / New Elementary # 11	3,733,767
Grand Lakes Junior High / Junior High # 4	25,615,470
Tomball District Stadium	33,633,481
Tomball Memorial Athletic Field Updates	3,308,737
Water Treatment Plant	4,570,623
Total	<u>\$ 117,193,296</u>

The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by tax revenues and local funds.

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, workers' compensation, and net pension and net OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for workers' compensation claims are accounted for in the internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Tomball Independent School District

Notes to the Financial Statements

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds, par	\$ 494,035,000	\$ 134,005,000	\$ (40,335,000)	\$ 587,705,000	\$ 16,715,000
Deferred amounts:					
Issuance premiums (CIB's)	54,846,402	17,543,232	(2,714,581)	69,675,053	-
Total bonds payable	548,881,402	151,548,232	(43,049,581)	657,380,053	16,715,000
Workers' compensation	287,838	155,115	(153,743)	289,210	289,210
Net pension liability	47,466,948	9,646,289	(9,663,351)	47,449,886	-
Net OPEB liability	55,547,927	7,987,396	(8,980,476)	54,554,847	-
Governmental activities long-term liabilities	\$ 652,184,115	\$ 169,337,032	\$ (61,847,151)	\$ 759,673,996	\$ 17,004,210

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for the internal service fund are included as part of the above totals for governmental activities.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of changes in the general obligation bonds for the fiscal year ended June 30, 2020:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2002 B BLDG	4.27%	\$ 19,650,000	2026	\$ 19,650,000	\$ -	\$ -	\$ 19,650,000
2010 REF	2.00-5.00%	16,005,000	2020	2,515,000	-	(2,515,000)	-
2010 A BLDG	3.00-5.00%	26,535,000	2034	3,445,000	-	(630,000)	2,815,000
2010 B REF	2.00-5.00%	16,080,000	2023	4,850,000	-	(820,000)	4,030,000
2011 BLDG	4.00-5.00%	30,015,000	2034	27,635,000	-	(470,000)	27,165,000
2011 REF	2.00-3.50%	4,715,000	2020	955,000	-	(955,000)	-
2014 A BLDG	2.00-5.00%	17,775,000	2033	16,075,000	-	(375,000)	15,700,000
2014 B BLDG	2.00-3.00%	63,320,000	2043	63,320,000	25,650,000	(25,650,000)	63,320,000
2015 BLDG/REF	2.00-5.00%	137,450,000	2043	135,840,000	-	(530,000)	135,310,000
2016 BLDG/REF	2.00-5.00%	99,645,000	2043	86,345,000	-	(7,940,000)	78,405,000
2018 BLDG	4.00-5.00%	133,405,000	2044	133,405,000	-	(450,000)	132,955,000
2020 BLDG	3.00-5.00%	108,355,000	2045	-	108,355,000	-	108,355,000
Totals				\$ 494,035,000	\$ 134,005,000	\$ (40,335,000)	\$ 587,705,000

Tomball Independent School District

Notes to the Financial Statements

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

Year Ending June 30,	Principal	Interest	Total Requirements
2021	\$ 16,715,000	\$ 23,623,273	\$ 40,338,273
2022	21,290,000	24,303,710	45,593,710
2023	24,325,000	23,874,596	48,199,596
2024	19,590,000	23,026,230	42,616,230
2025	20,565,000	22,075,389	42,640,389
2026	21,590,000	21,077,849	42,667,849
2027	22,680,000	20,029,894	42,709,894
2028	23,800,000	18,895,894	42,695,894
2029	24,945,000	17,788,944	42,733,944
2030	26,100,000	16,606,594	42,706,594
2031	27,240,000	15,482,662	42,722,662
2032	28,435,000	14,326,006	42,761,006
2033	29,680,000	13,092,369	42,772,369
2034	29,415,000	11,835,675	41,250,675
2035	21,045,000	10,630,350	31,675,350
2036	21,930,000	9,776,250	31,706,250
2037	22,890,000	8,858,450	31,748,450
2038	23,915,000	7,856,350	31,771,350
2039	24,985,000	6,808,450	31,793,450
2040	26,110,000	5,712,750	31,822,750
2041	27,295,000	4,559,400	31,854,400
2042	28,475,000	3,347,000	31,822,000
2043	29,555,000	2,198,150	31,753,150
2044	18,665,000	1,005,400	19,670,400
2045	6,470,000	258,800	6,728,800
Totals	\$ 587,705,000	\$ 327,050,435	\$ 914,755,435

As of June 30, 2020, the District did not have authorized but unissued bonds.

In prior years, the District defeased certain bonds through the issuance of new bonds and placed the proceeds in an irrevocable trust to provide for all future debt service payments of the old bonds. Securities being utilized to repay the refinanced debt as it becomes due consist solely of U.S. government obligations. Accordingly, the trust account securities and the liability for the defeased bonds are not included in the District's basic financial statements. At June 30, 2020, the District had no outstanding defeased bonds.

In August 2019, the District remarketed \$25,650,000 in variable rate unlimited tax schoolhouse bonds (Series 2014B-3) at a rate of 1.35%. The remarketing was a two year par remarketing with a mandatory tender date of August 15, 2022.

In May 2020, the District issued \$108,355,000 of unlimited tax school building bonds with an interest rate of 3% - 5%. The bond proceeds will be used for the construction, acquisition and equipment of school buildings in the District (including the rehabilitation, renovation, expansion and improvement, the purchase of necessary sites for school buildings and the purchase of new school buses. The debt service on the bond is due semi-annually on February and August 15th and will mature on August 15, 2045.

Tomball Independent School District

Notes to the Financial Statements

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund - capital replacement projects strategic plan	\$ 3,810,860
Other nonmajor governmental funds - campus activities	<u>2,065,471</u>
Total other committed fund balance	<u>\$ 5,876,331</u>

G. Revenues from Local and Intermediate Sources

During the current year, revenues from local and intermediate sources of the governmental funds consisted of the following:

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
Property taxes	\$ 109,360,554	\$ 36,284,971	\$ -	\$ -	\$ 145,645,525
Food service	-	-	-	2,951,532	2,951,532
Investment earnings	1,517,588	179,633	2,151,128	-	3,848,349
Campus activities	295,420	-	-	2,374,349	2,669,769
Other	<u>666,477</u>	-	<u>30,907</u>	<u>744,750</u>	<u>1,442,134</u>
Totals	<u>\$ 111,840,039</u>	<u>\$ 36,464,604</u>	<u>\$ 2,182,035</u>	<u>\$ 6,070,631</u>	<u>\$ 156,557,309</u>

Note 4. Other Information

A. Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses and tax-assessor bond for which the District carries commercial insurance. In addition, the District participates in the Texas Association of School Boards Risk Management Fund (Fund) for liability, vehicle coverage, and privacy and information security insurance. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its liability coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and may provide, through commercial companies, reinsurance contracts. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, there were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Health Care Coverage

During the fiscal year ended June 30, 2020, employees of the District were covered by TRS-Active Care (the Plan) a statewide health coverage program for Texas public education employees, implemented by the TRS. The District paid premiums of \$225 per month, per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to the TRS. The legislature created the Plan for public school employee group health coverage in 2002-03, requiring all Districts with fewer than 500 employees to participate in the Plan.

Tomball Independent School District

Notes to the Financial Statements

Workers' Compensation

The District established a limited risk management program for workers' compensation in 2004 by participating as a self-funded member of the Texas Public Schools Workers' Compensation Project (Pool). The Pool was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. As a self-funded member of the Pool, the District is solely responsible for all claims costs, both reported and unreported. A third party administrator provides administrative services to its self-funded members including claims administration and customer service.

Premiums are paid into the internal service fund by the other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from stop-loss or subrogation, are another component of the claims liability estimate. The Texas Public Schools Workers' Compensation Project limits the liability per occurrence to \$350,000. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past two fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2020	Year Ended 6/30/2019
Unpaid claims, beginning of fiscal year	\$ 287,838	\$ 287,441
Incurred claims, including provision (adjustment) for IBNR	155,115	150,847
Claim payments	<u>(153,743)</u>	<u>(150,450)</u>
Unpaid claims, end of fiscal year	<u>\$ 289,210</u>	<u>\$ 287,838</u>

B. Contingencies

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through June 30, 2020, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

Tomball Independent School District

Notes to the Financial Statements

C. Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

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

Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Tomball Independent School District

Notes to the Financial Statements

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2020	2019
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	6.8%
Employers (District)	7.5%	6.8%
Employers (District - Non-OASDI)*	1.5%	1.5%

*SB12 requires an increase in employer contributions by public school districts, charter schools and regional education service centers. Prior to SB12, only those employers not participating in social security were required to pay a 1.5% contributions (Non-OASDI surcharge). Beginning September 1, 2019 all employers are required to pay the Public Education Employer contribution irrespective of participation in social security.

The contribution amounts for the District's fiscal year 2020 are as follows:

District contributions	\$ 3,562,019
Member contributions	8,542,493
NECE on-behalf contributions (State)	5,921,316

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, local or non-educational and general funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system 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 surcharges an employer is subject to:

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

Tomball Independent School District

Notes to the Financial Statements

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

At June 30, 2020, the District reported a liability of \$47,449,886 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's proportionate share of the net pension liability	\$ 47,449,886
State's proportionate share of the net pension liability associated with the District	<u>74,000,263</u>
Total	<u>\$ 121,450,149</u>

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

At the measurement date of August 31, 2019, the District's proportion of the collective net pension liability was 0.0912794% which was an increase of 0.0050424% from its proportion measured as of August 31, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$22,286,759 and revenue of \$11,624,399 for support provided by the State.

At June 30, 2020, the District reported 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>
Differences between expected and actual experience	\$ 199,332	\$ 1,647,535
Changes of assumptions	14,721,285	6,083,531
Difference between projected and actual earnings on pension plan investments	476,452	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	6,875,598	497
District contributions paid subsequent to the measurement date	<u>3,086,193</u>	<u>-</u>
Totals	<u>\$ 25,358,860</u>	<u>\$ 7,731,563</u>

Tomball Independent School District

Notes to the Financial Statements

\$3,086,193 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	\$ 3,671,111
2022	3,123,976
2023	3,615,251
2024	3,187,286
2025	1,271,758
Thereafter	<u>(328,278)</u>
Total	<u>\$ 14,541,104</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employing Mortality Tables for males and females with full generational mortality. 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 projection scale U-MP.

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

Tomball Independent School District

Notes to the Financial Statements

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return
Global equity:		
U.S.	18.00%	5.70%
Non-U.S. developed	13.00%	6.90%
Emerging markets	9.00%	8.95%
Directional hedge funds	4.00%	3.53%
Private equity	13.00%	10.18%
Stable value:		
U.S. treasuries	11.00%	1.11%
Stable value Hedge funds	4.00%	3.09%
Real return:		
Global inflation linked bonds	3.00%	0.70%
Real estate	14.00%	5.21%
Energy, natural resources and infrastructure	5.00%	7.48%
Risk parity:		
Risk parity	5.00%	3.70%
Asset allocation leverage cash	1.00%	(0.30%)
Totals	100.00%	

*FY 2019 target allocation based on the strategic asset allocation dated 10/1/2018

Tomball Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 72,937,367	\$ 47,449,886	\$ 26,800,106

Change of Assumptions Since the Prior Measurement Date

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

Change of Benefit Terms Since the Prior Measurement Date

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

D. Defined Other Postemployment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

Eligible 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 the TRS pension system. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

Tomball Independent School District

Notes to the Financial Statements

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly Plan Premium Rates

	Medicare	Non-medicare
Retiree and surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2020	2019
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2020 are as follows:

District contributions	\$ 879,386
Member contributions	721,202
NECE on-behalf contributions (State)	1,605,898

In addition, the State of Texas contributed \$480,755, \$317,228 and \$426,764 in 2020, 2019, and 2018, respectively, for on-behalf payments for Medicare Part D.

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

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

Tomball Independent School District

Notes to the Financial Statements

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported a liability of \$54,554,847 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District are as follows:

District's proportionate share of the net OPEB liability	\$ 54,554,847
State's proportionate share of the net OPEB liability associated with the District	<u>72,491,187</u>
Total	<u><u>\$ 127,046,034</u></u>

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

At the measurement date of August 31, 2019, the employer's proportion of the collective net OPEB liability was 0.1153593% which was an increase 0.0041098% from its proportion measured as of August 31, 2018.

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$4,454,183 and revenue of \$1,910,570 for support provided by the State.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,676,379	\$ 8,927,322
Changes of assumptions	3,030,096	14,673,915
Difference between projected and actual earnings on OPEB plan investments	5,886	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	7,792,650	-
District contributions paid subsequent to the measurement date	<u>755,577</u>	<u>-</u>
Totals	<u><u>\$ 14,260,588</u></u>	<u><u>\$ 23,601,237</u></u>

Tomball Independent School District

Notes to the Financial Statements

\$755,577 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Year Ending June 30,	
	<u> </u>	
2021	\$	(1,943,024)
2022		(1,943,024)
2023		(1,944,929)
2024		(1,946,019)
2025		(1,945,721)
Thereafter		<u>(373,509)</u>
Total	\$	<u>(10,096,226)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2018. Update procedures were used to roll forward the total OPEB liability to August 31, 2019.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2019 TRS annual pension actuarial valuation:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note 4.C for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

Tomball Independent School District

Notes to the Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	2.63%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 50% 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 health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

The impact of the Cadillac Tax that is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

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

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

Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability at August 31, 2019. This was a decrease of 1.06% in the discount rate since the August 31, 2018 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The 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".

Tomball Independent School District

Notes to the Financial Statements

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the net OPEB liability.

	<u>1% Decrease (1.63%)</u>	<u>Current Discount Rate (2.63%)</u>	<u>1% Increase (3.63%)</u>
District's proportionate share of the net OPEB liability	\$ 63,865,204	\$ 54,554,847	\$ 45,706,742

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability 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% lower or 1% higher than the assumed health-care cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 44,503,929	\$ 54,554,847	\$ 68,018,458

Change of Assumptions Since the Prior Measurement Date

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

Change of Benefit Terms Since the Prior Measurement Date

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

E. Nonmonetary Transactions

During 2020, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$2,525. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$2,525 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

Tomball Independent School District

Notes to the Financial Statements

F. Net Position Deficit

The statement of net position reported a deficit balance of \$12,469,144 at June 30, 2020 due to the implementation of Governmental Accounting Standards Board Statement No. 75 in fiscal year 2018 and the implementation of Governmental Accounting Standards Board Statement No. 68 in fiscal year 2015 significantly reducing the unrestricted net position which resulted in an overall deficit.

G. Subsequent Events

In August 2020, the District remarketed \$18,980,000 in variable rate unlimited tax school building bonds (Series 2014B-1) at a rate of 0.45%. The remarketing was a two year par remarketing with a mandatory tender date of August 15, 2023.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required
Supplementary
Information

Tomball Independent School District
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2020

Exhibit F-1

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and intermediate sources	\$ 120,757,824	\$ 113,108,616	\$ 111,840,039	\$ (1,268,577)
5800	State program revenues	19,642,176	33,192,858	38,500,605	5,307,747
5900	Federal program revenues	1,400,000	1,400,000	1,723,836	323,836
5020	Total revenues	141,800,000	147,701,474	152,064,480	4,363,006
EXPENDITURES:					
Current:					
0011	Instruction	93,757,259	93,202,895	89,205,074	3,997,821
0012	Instructional resources and media services	1,545,015	1,620,015	1,494,700	125,315
0013	Curriculum and instructional staff development	1,242,007	2,449,773	1,519,623	930,150
0021	Instructional leadership	1,729,904	2,062,104	2,103,374	(41,270)
0023	School leadership	9,023,001	9,370,801	8,982,716	388,085
0031	Guidance, counseling, and evaluation services	4,399,201	5,437,595	4,569,809	867,786
0032	Social work services	56,855	81,855	65,995	15,860
0033	Health services	1,544,034	1,759,034	1,723,949	35,085
0034	Student transportation	5,929,459	7,435,600	6,711,983	723,617
0036	Extracurricular activities	3,088,958	3,487,149	3,091,648	395,501
0041	General administration	4,242,446	4,859,763	4,734,468	125,295
0051	Plant maintenance and operations	11,785,135	12,637,244	12,212,358	424,886
0052	Security and monitoring services	593,452	597,570	596,583	987
0053	Data processing services	1,658,155	1,966,655	1,960,752	5,903
0061	Community services	619	970	103	867
Intergovernmental:					
0095	Payments to juvenile justice alternative education programs	25,000	25,000	3,000	22,000
0099	Other intergovernmental charges	1,179,500	1,179,500	1,082,229	97,271
6030	Total expenditures	141,800,000	148,173,523	140,058,364	8,115,159
1100	Excess (deficiency) of revenues over expenditures	-	(472,049)	12,006,116	12,478,165
OTHER FINANCING SOURCES (USES):					
8911	Transfers out	-	-	(249,691)	(249,691)
7080	Total other financing sources (uses)	-	-	(249,691)	(249,691)
1200	Net change in fund balance	-	(472,049)	11,756,425	12,228,474
0100	Fund balance - beginning	79,828,402	79,828,402	79,828,402	-
3000	FUND BALANCE - ENDING	\$ 79,828,402	\$ 79,356,353	\$ 91,584,827	\$ 12,228,474

The Notes to the Required Supplementary Information are an integral part of this schedule.

Tomball Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Six Fiscal Years*

	<u>2020</u>
District's proportion of the net pension liability	0.0912794%
District's proportionate share of the net pension liability	\$ 47,449,886
State's proportionate share of the net pension liability associated with the District	<u>74,000,263</u>
TOTALS	<u><u>\$ 121,450,149</u></u>
District's covered payroll	\$ 104,902,147
District's proportionate share of the net pension liability as a percentage of its covered payroll	45.23%
Plan fiduciary net position as a percentage of the total pension liability	75.24%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0862370%	0.0806489%	0.0759820%	0.0726416%	0.0448068%
\$ 47,466,948	\$ 25,787,180	\$ 28,712,462	\$ 25,677,839	\$ 11,968,516
79,633,648	44,942,097	52,721,003	46,303,923	39,015,269
<u>\$ 127,100,596</u>	<u>\$ 70,729,277</u>	<u>\$ 81,433,465</u>	<u>\$ 71,981,762</u>	<u>\$ 50,983,785</u>
\$ 99,005,244	\$ 91,129,164	\$ 85,237,654	\$ 75,594,269	\$ 70,486,571
47.94%	28.30%	33.69%	33.97%	16.98%
73.74%	82.17%	78.00%	78.43%	83.25%

Tomball Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas Pension Plan
 For the Last Six Fiscal Years***

	<u>2020</u>
Contractually required contributions	\$ 3,562,019
Contributions in relation to the contractually required contributions	<u>(3,562,019)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u><u>\$ -</u></u>
District's covered payroll	\$ 110,953,482
Contributions as a percentage of covered payroll	3.21%

*The amounts presented for the period was determined as of the District's fiscal period (ten months) end June 30.

**The amounts presented for the fiscal years were determined as of the District's fiscal year end August 31.

***Ten years of data is not available.

<u>2019*</u>	<u>2018**</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
\$ 2,715,207 (2,715,207)	\$ 2,907,501 (2,907,501)	\$ 2,643,201 (2,643,201)	\$ 2,410,138 (2,410,138)	\$ 2,150,950 (2,150,950)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 88,950,802	\$ 99,005,244	\$ 91,129,164	\$ 85,237,654	\$ 75,594,269
3.05%	2.94%	2.90%	2.83%	2.85%

Tomball Independent School District

Exhibit F-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas For the Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1153593%	0.1112496%	0.0997547%
District's proportionate share of the net OPEB liability	\$ 54,554,847	\$ 55,547,927	\$ 43,379,594
State's proportionate share of the net OPEB liability associated with the District	<u>72,491,187</u>	<u>88,029,154</u>	<u>74,360,157</u>
TOTALS	<u><u>\$ 127,046,034</u></u>	<u><u>\$ 143,577,081</u></u>	<u><u>\$ 117,739,751</u></u>
District's covered payroll	\$ 104,902,147	\$ 99,005,244	\$ 91,129,164
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	52.01%	56.11%	47.60%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

Tomball Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 For the Last Three Fiscal Years***

Exhibit F-5

	<u>2020</u>	<u>2019*</u>	<u>2018**</u>
Contractually required contributions	\$ 879,386	\$ 694,924	\$ 765,767
Contributions in relation to the contractually required contributions	<u>(879,386)</u>	<u>(694,924)</u>	<u>(765,767)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 110,953,482	\$ 88,950,802	\$ 99,005,244
Contributions as a percentage of covered payroll	0.79%	0.78%	0.77%

*The amounts presented for the fiscal period was determined as of the District's fiscal period (ten months) end June 30.

**The amounts presented for the fiscal years were determined as of the District's fiscal year end August 31.

***Ten years of data is not available.

Tomball Independent School District
Notes to the Required Supplementary Information

Note 1. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than June 19 and adopted by June 30 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

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

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources and uses require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

B. Excess of Expenditures Over Appropriations

For the fiscal year June 30, 2020, expenditures exceeded appropriations in the functions (the legal level of budgetary control) of the following funds:

<u>Fund</u>	<u>Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	Instructional Services	\$ 2,062,104	\$ 2,103,374	\$ (41,270)

The variance for the general fund is due to unanticipated COVID related salaries that occurred after March 2020.

Tomball Independent School District
Notes to the Required Supplementary Information

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

Changes in demographic and economic assumptions

For measurement dates August 31, 2019, and 2014-2017 – No changes in assumptions.

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

A young man with dark, curly hair, wearing a grey hoodie, is standing in a library aisle. He is looking down at a book in his hands. The aisle is lined with tall bookshelves filled with books. The lighting is soft and even, creating a calm and studious atmosphere. The background is slightly blurred, emphasizing the man and the books he is examining.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Supplementary Information

Combining and Individual
Fund Financial Statements
and Schedules

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Major Governmental Fund

Debt Service Fund

The Debt Service Fund is used to account for revenues from property taxes levied specifically for debt service and earnings on temporary investments, and the expenditure of these revenues for payment of long-term debt principal, interest, and related fees.

Tomball Independent School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2020

Exhibit G-1

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 33,445,704	\$ 33,445,704	\$ 36,464,604	\$ 3,018,900
5800	State program revenues	554,296	554,296	494,264	(60,032)
5020	Total revenues	34,000,000	34,000,000	36,958,868	2,958,868
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	14,685,000	14,685,000	14,685,000	-
0072	Interest on long-term debt	21,270,000	20,782,224	20,782,224	-
0073	Issuance costs and fees	45,000	1,431,008	1,052,253	378,755
6030	Total expenditures	36,000,000	36,898,232	36,519,477	378,755
1100	Excess (deficiency) of revenues over (under) expenditures	(2,000,000)	(2,898,232)	439,391	3,337,623
OTHER FINANCING SOURCES (USES)					
7901	Refunding bonds issued	-	25,650,000	25,650,000	-
7916	Premium on issuance of bonds	-	898,232	898,232	-
8940	Payment to bond refunding escrow agent	-	(25,650,000)	(25,650,000)	-
7080	Total other financing sources (uses)	-	898,232	898,232	-
1200	Net change in fund balance	(2,000,000)	(2,000,000)	1,337,623	3,337,623
0100	Fund balance - beginning	14,744,613	14,744,613	14,744,613	-
3000	FUND BALANCE - ENDING	\$ 12,744,613	\$ 12,744,613	\$ 16,082,236	\$ 3,337,623

A young child with curly hair, wearing a blue polo shirt and jeans, is sitting on a colorful plastic chair in a library. The child is holding an open book and looking down at it. The background is filled with bookshelves containing many books. The text 'COMPREHENSIVE ANNUAL FINANCIAL REPORT' is overlaid in the top left corner.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The proceeds may be from federal, state, and local sources.

Nonmajor Governmental Funds

Special Revenue Funds

Grants accounted for in the Special Revenue Funds include:

ESEA, Title I, Part A, Improving Basic Programs - funds are used to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

IDEA-B, Formula - funds are used to operate education programs for children with disabilities.

IDEA-B, Preschool Grant - funds are used to operate educational programs for preschool children with disabilities.

IDEA-B, Discretionary— funds are used to support an Education Service Center special education component and also targeted support of Local Education Agencies.

IDEA-B, Deaf— funds are used to operate

National School Breakfast and Lunch Program - fund accounts for revenues originating from the United States Department of Agriculture and fees from child and adult meals, as well as allowable child nutrition program expenditures.

Career and Technical, Basic Grant - funds are used to provide career and technology education to develop new and/or improve career and technology education programs for paid and unpaid employment.

ESEA, Title II, Part A, Teacher and Principal Training and Recruiting (“TPTR”) - funds are used to provide financial assistance to LEAs to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, in addition to holding local education agencies and schools accountable for improving student academic achievement.

Title III, Part A, English Language Acquisition and Enhancement - funds are used to improve the education of limited English proficient children and assist children to learn English and meet challenging State academic content and student academic achievement standards.

Nonmajor Governmental Funds

Special Revenue Funds cont'd.

Title IV, Part A, Subpart 1 - funds are used to increase the use of technology in order to improve the academic achievement and digital literacy of all students.

Title IV, Part A, Summer School - funds are used to enhance the education of limited English proficient students.

Advanced Placement Initiatives - fund accounts for funds awarded under the Texas Advanced Placement Incentive Program, Chapter 28, Subchapter C, TEC.

State Textbook Fund - funds are used to purchase instructional materials, technological equipment, and technology related services.

State Funded Special Revenue Fund - fund accounts for state funded special revenue funds that have not been specified above.

Campus Activity Funds - funds are generated by the campus and are not subject to recall by the board of trustees into the General Fund. The funds accounted for are non-agency and discretionary.

Region IV School Support Grant - fund is used to account for grants received from the Region IV Education Service Center, and has been awarded to use on staff development trainings provided by the Education Service Center.

Educational Grants - fund is used to account for grants received from the Tomball ISD Education Foundation, and has been awarded for use by teachers and campuses to enhance their academic programs.

Chuck Lorre Foundation - fund is used to account for grants received from The Chuck Lorre Foundation, and has been awarded for use in the District's Career & Technology Education program.

Locally Funded Special Revenue Fund - fund accounts for locally funded special revenues that have not been specified above.

Tomball Independent School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 June 30, 2020

	211	224	225	226
<u>Data Control Codes</u>	<u>ESSA Title I Improving Basic Programs</u>	<u>IDEA-B Formula</u>	<u>IDEA-B Preschool Grant</u>	<u>IDEA Part B Discretionary</u>
ASSETS				
1110 Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240 Due from other governments	314,129	326,619	-	341,111
1260 Due from other funds	-	-	-	-
1300 Inventories	-	-	-	-
1410 Prepaid items	-	-	-	-
1000 TOTAL ASSETS	\$ 314,129	\$ 326,619	\$ -	\$ 341,111
LIABILITIES				
2110 Accounts payable	\$ 1,366	\$ 115,517	\$ -	\$ -
2160 Accrued wages payable	71,722	146,726	-	-
2170 Due to other funds	241,041	64,376	-	341,111
2300 Unearned revenue	-	-	-	-
2000 Total liabilities	314,129	326,619	-	341,111
FUND BALANCES				
3450 Restricted - grants	-	-	-	-
3545 Committed - other	-	-	-	-
3000 Total fund balances	-	-	-	-
4000 TOTAL LIABILITIES AND FUND BALANCES	\$ 314,129	\$ 326,619	\$ -	\$ 341,111

227	240	244	255	263	288
IDEA Part B, Deaf	National School Breakfast/Lunch Program	Career and Technical Basic Grant	ESSA Title II Part A Teacher & Principal Training & Recruiting	Title III Part A English Language Acquisition and Enhancement	Title IV, Part A, Subpart 1
\$ -	\$ 364,825	\$ -	\$ -	\$ -	\$ -
97,878	189,996	29,770	47,222	30,158	35,409
-	871,453	-	-	-	-
-	133,710	-	-	-	-
-	-	5,447	-	-	-
<u>\$ 97,878</u>	<u>\$ 1,559,984</u>	<u>\$ 35,217</u>	<u>\$ 47,222</u>	<u>\$ 30,158</u>	<u>\$ 35,409</u>
\$ 42,395	\$ 24,857	\$ 15,739	\$ -	\$ -	\$ 7,101
-	108,352	-	-	10,696	9,688
55,483	-	19,478	47,222	19,462	18,620
-	-	-	-	-	-
97,878	133,209	35,217	47,222	30,158	35,409
-	1,426,775	-	-	-	-
-	-	-	-	-	-
-	1,426,775	-	-	-	-
<u>\$ 97,878</u>	<u>\$ 1,559,984</u>	<u>\$ 35,217</u>	<u>\$ 47,222</u>	<u>\$ 30,158</u>	<u>\$ 35,409</u>

Tomball Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds - Continued
June 30, 2020

	289	397	410	429
	<u>Title VI, Part A, Summer School LEP</u>	<u>Advanced Placement Incentives</u>	<u>State Textbook Fund</u>	<u>State Funded Special Revenue Funds</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	131,075
Due from other funds	-	-	714,421	5,182
Inventories	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,421</u>	<u>\$ 136,257</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,257
Accrued wages payable	-	-	-	10,429
Due to other funds	-	-	-	-
Unearned revenue	-	-	714,421	-
Total liabilities	-	-	714,421	11,686
FUND BALANCES				
Restricted - grants	-	-	-	124,571
Committed - other	-	-	-	-
Total fund balances	-	-	-	124,571
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,421</u>	<u>\$ 136,257</u>

461	496	497	498	499	
<u>Campus Activity Funds</u>	<u>Region IV School Support Grant</u>	<u>Educational Grants</u>	<u>Chuck Lorre Foundation</u>	<u>Locally Funded Special Revenue Funds</u>	<u>Total Nonmajor Funds (See Exhibit C-1)</u>
\$ 2,176,086	\$ -	\$ -	\$ -	\$ -	\$ 2,540,911
-	-	-	-	-	1,543,367
-	3,084	20,613	10,632	2,867	1,628,252
-	-	-	-	-	133,710
-	-	-	-	-	5,447
<u>\$ 2,176,086</u>	<u>\$ 3,084</u>	<u>\$ 20,613</u>	<u>\$ 10,632</u>	<u>\$ 2,867</u>	<u>\$ 5,851,687</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,232
-	-	-	-	-	357,613
110,615	-	-	-	-	917,408
-	-	-	-	-	714,421
110,615	-	-	-	-	2,197,674
-	3,084	20,613	10,632	2,867	1,588,542
2,065,471	-	-	-	-	2,065,471
2,065,471	3,084	20,613	10,632	2,867	3,654,013
<u>\$ 2,176,086</u>	<u>\$ 3,084</u>	<u>\$ 20,613</u>	<u>\$ 10,632</u>	<u>\$ 2,867</u>	<u>\$ 5,851,687</u>

Tomball Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	211	224	225	226
Data Control Codes	ESSA Title I Improving Basic Programs	IDEA-B Formula	IDEA-B Preschool Grant	IDEA Part B Discretionary
REVENUES				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-	-
5900 Federal program revenues	894,041	2,000,304	11,218	451,447
5020 Total revenues	894,041	2,000,304	11,218	451,447
EXPENDITURES				
Current:				
0011 Instruction	652,617	1,660,837	1,258	433,650
0012 Instructional resources and media services	-	-	-	-
0013 Curriculum and instructional staff development	171,511	-	-	-
0021 Instructional leadership	64,229	2,905	-	-
0031 Guidance, counseling, and evaluation services	-	336,562	9,960	17,797
0033 Health services	-	-	-	-
0035 Food services	-	-	-	-
0036 Extracurricular activities	-	-	-	-
0052 Security and monitoring services	-	-	-	-
0061 Community services	5,684	-	-	-
6030 Total expenditures	894,041	2,000,304	11,218	451,447
1200 Net change in fund balances	-	-	-	-
0100 Fund balances - beginning	-	-	-	-
3000 FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

227	240	244	255	263	288
IDEA Part B, Deaf	National School Breakfast/Lunch Program	Career and Technical Basic Grant	ESSA Title II Part A Teacher & Principal Training & Recruiting	Title III Part A English Language Acquisition and Enhancement	Title IV, Part A, Subpart 1
\$ -	\$ 2,968,447	\$ -	\$ -	\$ -	\$ -
-	215,100	-	-	-	-
97,878	3,245,556	71,161	148,061	160,561	74,816
97,878	6,429,103	71,161	148,061	160,561	74,816
97,878	-	53,790	2,662	55,814	70,826
-	-	-	-	-	-
-	-	17,371	121,904	102,895	3,990
-	-	-	5,995	1,852	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,763,393	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	17,500	-	-
97,878	6,763,393	71,161	148,061	160,561	74,816
-	(334,290)	-	-	-	-
-	1,761,065	-	-	-	-
\$ -	\$ 1,426,775	\$ -	\$ -	\$ -	\$ -

Tomball Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds - Continued
For the Fiscal Year Ended June 30, 2020

	289	397	410	429
Data Control Codes	Title VI, Part A, Summer School LEP	Advanced Placement Incentives	State Textbook Fund	State Funded Special Revenue Funds
REVENUES				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800 State program revenues	-	12,429	2,213,880	308,935
5900 Federal program revenues	14,692	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
5020 Total revenues	14,692	12,429	2,213,880	308,935
EXPENDITURES				
Current:				
0011 Instruction	14,692	-	2,213,880	67,774
0012 Instructional resources and media services	-	-	-	-
0013 Curriculum and instructional staff development	-	12,429	-	13,119
0021 Instructional leadership	-	-	-	-
0031 Guidance, counseling, and evaluation services	-	-	-	-
0033 Health services	-	-	-	-
0035 Food services	-	-	-	-
0036 Extracurricular activities	-	-	-	-
0052 Security and monitoring services	-	-	-	103,471
0061 Community services	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
6030 Total expenditures	14,692	12,429	2,213,880	184,364
1200 Net change in fund balances	-	-	-	124,571
0100 Fund balances - beginning	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
3000 FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ 124,571

461	496	497	498	499	
Campus Activity Funds	Region IV School Support Grant	Educational Grants	Chuck Lorre Foundation	Locally Funded Special Revenue Funds	Total Nonmajor Funds (See Exhibit C-2)
\$ 2,941,798	\$ 18,536	\$ 53,950	\$ -	\$ 87,900	\$ 6,070,631
-	-	-	-	-	2,750,344
-	-	-	-	-	7,169,735
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,941,798	18,536	53,950	-	87,900	15,990,710
1,195,062	-	33,537	59,920	60,000	6,674,197
174,132	-	-	-	-	174,132
-	15,452	-	5,352	-	464,023
-	-	-	-	-	74,981
-	-	-	-	-	364,319
-	-	-	-	27,900	27,900
-	-	-	-	-	6,763,393
1,643,566	-	-	-	-	1,643,566
-	-	-	-	-	103,471
-	-	-	-	-	23,184
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
3,012,760	15,452	33,537	65,272	87,900	16,313,166
(70,962)	3,084	20,413	(65,272)	-	(322,456)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,136,433	-	200	75,904	2,867	3,976,469
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 2,065,471	\$ 3,084	\$ 20,613	\$ 10,632	\$ 2,867	\$ 3,654,013

Tomball Independent School District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual
 National School Breakfast and Lunch Program
 For the Fiscal Year Ended June 30, 2020

Exhibit I-1

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 4,040,900	\$ 4,040,900	\$ 2,968,447	\$ (1,072,453)
5800	State program revenues	185,000	185,000	215,100	30,100
5900	Federal program revenues	2,800,000	2,800,000	3,245,556	445,556
5020	Total revenues	7,025,900	7,025,900	6,429,103	(596,797)
EXPENDITURES					
Current:					
0035	Food services	7,025,900	7,082,439	6,763,393	319,046
6030	Total expenditures	7,025,900	7,082,439	6,763,393	319,046
1200	Net change in fund balance	-	(56,539)	(334,290)	(277,751)
0100	Fund balance - beginning	1,761,065	1,761,065	1,761,065	-
3000	FUND BALANCE - ENDING	<u>\$ 1,761,065</u>	<u>\$ 1,704,526</u>	<u>\$ 1,426,775</u>	<u>\$ (277,751)</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Agency Fund

The Agency fund consists of the Student Activity Funds that are held in a custodial capacity by the District and are the property of the student organizations. The students through fund raising activities and the payment of dues raise these funds. The school principal is responsible, under the authority of the Board, for collecting, controlling, disbursing and accounting for all student activity.

TOMBALL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

EXHIBIT J-1

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS				
Cash and Cash Equivalents	\$ 354,456	\$ 110,903	\$ 23,962	\$ 441,397
Total Assets	<u>\$ 354,456</u>	<u>\$ 110,903</u>	<u>\$ 23,962</u>	<u>\$ 441,397</u>
LIABILITIES				
Due to Student Groups	\$ 354,456	\$ 110,903	\$ 23,962	\$ 441,397
Total Liabilities	<u>\$ 354,456</u>	<u>\$ 110,903</u>	<u>\$ 23,962</u>	<u>\$ 441,397</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PROPERTY
TAX

Compliance Schedule

The Compliance Schedule is required by the Texas Education Agency and is not required for disclosure in the Comprehensive Annual Financial Report (CAFR).

Tomball Independent School District
 Schedule of Delinquent Taxes Receivable
 For the Fiscal Year Ended June 30, 2020

<u>Year Ended June 30,</u>	<u>Tax Rates</u>		<u>3 Assessed/Appraised Value For School Tax Purposes</u>
	<u>1 Maintenance</u>	<u>2 Debt Service</u>	
2011 and prior years	\$ Various	\$ Various	\$ Various
2012	1.010	0.350	5,485,021,691
2013	1.010	0.350	6,000,037,896
2014	1.020	0.340	6,634,270,132
2015	1.020	0.340	7,652,629,504
2016	1.020	0.320	8,905,092,164
2017	1.040	0.300	9,746,642,313
2018	1.040	0.300	10,174,184,328
2019	1.040	0.300	10,462,962,313
2020	0.970	0.320	11,324,561,085
1000 TOTALS			

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

10 Beginning Balance 7/1/2019	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2020
\$ 626,371	\$ -	\$ 12,255	\$ 3,619	\$ 5,195	\$ 615,692
114,227	-	8,887	3,080	1,402	103,662
147,446	-	18,265	6,329	(2,603)	120,249
178,761	-	24,861	8,287	1,437	147,050
184,686	-	57,695	19,232	38,197	145,956
234,528	-	82,545	25,897	52,812	178,898
350,809	-	85,260	24,611	22,407	263,345
527,285	-	105,268	30,387	(12,274)	379,356
2,124,186	-	625,988	180,698	(707,513)	609,987
-	146,086,838	108,019,125	35,642,433	-	2,425,280
<u>\$ 4,488,299</u>	<u>\$ 146,086,838</u>	<u>\$ 109,040,149</u>	<u>\$ 35,944,573</u>	<u>\$ (600,940)</u>	<u>\$ 4,989,475</u>
		\$ -	\$ -		

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A 3D bar chart with seven bars of varying heights and colors (light blue, light green, yellow, light red, yellow, light green, light red) is positioned in the upper left. Below it, a line graph with a grid is visible, showing several lines converging at the origin. The x-axis of the line graph has labels 1, 2, 3, 4, 5, 6, 7, and 201. The y-axis has labels 1, 2, 3, 4, 5, 6, 7. A dark blue rectangular box is overlaid on the right side of the image, containing the text 'Statistical Section' in white.

Statistical Section

Statistical Section

The statistical section of this report is used to provide detailed data on the physical, economic and social characteristic of the district. This data (both current and historical) is provided so that financial report users will have a broader and more complete understanding of the government unit and its financial affairs than is possible to achieve from the basic financial statements alone. This section is categorized as follows:

Financial Trends Information - data that will assist users in understanding and assessing how the government's financial position has changed over time.

Revenue Capacity Information - data that will help users assess the factors affecting the Districts most significant local revenue source, the property tax.

Debt Capacity Information - data presented to assist in assessing the Districts current debt burden and its ability to issue additional debt in the future.

Demographic and Economic Information - data that will assist with understanding the socioeconomic environment in which the District operates and that facilitates comparisons over time.

Operating Information – data that is intended to provide information about the District's operations and resources that will assist the user or understand and assess the economic condition of the District.

The tables in this section usually cover ten fiscal years and often include data obtained from sources outside the District's accounting records. The source of financial information found in these tables is from the District's Annual Financial Reports for the relevant year, unless indicated otherwise. The tables are unaudited due to nature of the information contained therein.

TOMBALL INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	<u>2020</u>	<u>2019*</u>	<u>2018</u>	<u>2017</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ (28,823,961)	\$ (32,194,940)	\$ (320,708,264)	\$ (35,064,497)
Restricted for Grants	7,146,054	5,232,344	4,130,650	4,557,550
Restricted for Debt Service	9,041,337	7,655,611	5,399,771	3,768,107
Unrestricted	167,426	(1,363,632)	270,276,568	54,546,428
Total Governmental Activities Net Position	<u>\$ (12,469,144)</u>	<u>\$ (20,670,617)</u>	<u>\$ (40,901,275)</u>	<u>\$ 27,807,588</u>
Business-type Activities: (3)				
Unrestricted	-	-	-	-
Total Business-type Activities Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary Government:				
Net Investment in Capital Assets	\$ (28,823,961)	\$ (32,194,940)	\$ (320,708,264)	\$ (35,064,497)
Restricted for Grants	7,146,054	5,232,344	4,130,650	4,557,550
Restricted for Debt Service	9,041,337	7,655,611	5,399,771	3,768,107
Unrestricted	167,426	(1,363,632)	270,276,568	54,546,428
Total Primary Government Net Position	<u>\$ (12,469,144)</u>	<u>\$ (20,670,617)</u>	<u>\$ (40,901,275) (2)</u>	<u>\$ 27,807,588</u>

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Net Position decreased primarily due to the effects of a prior period adjustment for the implementation of GASB 68 and GASB 71 relating to pensions.

(2) Net position decreased primarily due to the effects of adjustments for the implementation of GASB 75 relating to OPEB.

(3) The District opened the Early Excellence Academy(staff daycare).

Source of Data: District Records - Exhibit A-1 of Audit Report

Table 1

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ (8,992,195)	\$ (2,203,806)	\$ (3,450,507)	\$ (7,456,807)	\$ (9,014,998)	\$ 165,603
2,558,845	3,182,295	-	-	-	-
3,172,636	1,284,935	4,774,887	-	-	-
31,230,818	32,955,267	40,486,367	50,071,045	49,130,764	41,476,735
<u>\$ 27,970,104</u>	<u>\$ 35,218,691</u>	<u>\$ 41,810,747</u>	<u>\$ 42,614,238</u>	<u>\$ 40,115,766</u>	<u>\$ 41,642,338</u>
-	-	-	-	-	-
-	-	-	-	-	-
\$ (8,992,195)	\$ (2,203,806)	\$ (3,450,507)	\$ (7,456,807)	\$ (9,014,998)	\$ 165,603
2,558,845	3,182,295	-	-	-	-
3,172,636	1,284,935	4,774,887	-	-	-
31,230,818	32,955,267	40,486,367	50,071,045	49,130,764	41,476,735
<u>\$ 27,970,104</u>	<u>\$ 35,218,691</u> (1)	<u>\$ 41,810,747</u>	<u>\$ 42,614,238</u>	<u>\$ 40,115,766</u>	<u>\$ 41,642,338</u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Expenses	2020	2019*	2018	2017
Governmental Activities: (6)				
Instruction	\$ 117,162,418	\$ 98,736,401	\$ 67,436,020	\$ 89,444,988
Instructional Resources and Media Services	1,972,057	1,909,061	1,508,963	1,866,542
Curriculum and Instructional Staff Development	2,214,857	2,247,688	1,902,824	2,067,949
Instructional Leadership	2,479,772	1,750,670	1,059,773	1,771,280
School Leadership	10,229,337	8,979,025	6,058,024	8,357,494
Guidance, Counseling, and Evaluation Services	5,607,775	5,135,869	3,138,282	4,924,544
Social Work Services	70,272	68,651	47,842	62,157
Health Services	1,970,060	1,868,316	1,154,397	1,712,282
Student (Pupil) Transportation	7,902,297	6,657,611	5,144,869	5,719,505
Food Services	7,996,647	6,839,518	5,268,653	6,312,546
Extracurricular Activities	6,082,895	5,595,138	5,768,400	6,529,176
General Administration	5,014,025	3,589,984	3,145,876	4,209,238
Plant Maintenance and Operations	12,984,598	10,813,112	11,549,042	12,528,069
Security and Monitoring Services	708,438	809,451	560,086	535,216
Data Processing Services	2,106,844	1,844,223	2,938,595	1,764,694
Community Services	103,157	54,034	69,947	41,734
Interest on Long-term Debt	18,862,975	15,460,435	17,176,349	13,880,813
Issuance Cost and Fees	1,052,253	9,716	1,186,189	809,128
Facilities, Repair and Maintenance	-	-	212,816	1,801,061
Payments to Juvenile Justice Alternative Ed. Prog.	3,000	22,800	22,800	4,800
Other Intergovernmental Charges	1,082,229	1,050,348	1,001,642	955,313
Total Governmental Activities Expenses	205,605,906 (3)	173,442,051 (3)	136,351,389 (5)	165,298,529 (3)
Business Type Activities:				
Early Excellence Academy	450,164 (7)	-	-	-
Total Primary Government Expenses	206,056,070	173,442,051	136,351,389	165,298,529
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	1,086,880	1,234,548	1,649,232	1,027,249
Food Services	2,968,447 (6)	3,538,527	3,425,524	3,367,473
Extracurricular Activities	1,590,711	1,400,682	1,648,323	1,675,208
Other Activities	328,672	267,852	389,479	494,136
Operating Grants and Contributions	25,184,900	20,260,367	(12,001,949)	14,640,850
Total Government Activities Program Revenues	31,159,610	26,701,976	(4,889,391)	21,204,916
Business Type Activities:				
Charges For Services	200,473 (7)	-	-	-
Total Primary Government Program Revenues	31,360,083	26,701,976	-4,889,391	21,204,916
Net (Expense)/Revenue				
Total Primary Government Net Expense	\$ (174,695,987)	\$ (146,740,075)	\$ (141,240,780)	\$ (144,093,613)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	109,963,955 (4)	107,847,269	106,641,291	102,830,410
Property Taxes, Levied for Debt Service	36,475,518	31,368,087	30,909,922	29,748,099
Investment Earnings	3,893,169	5,010,899	3,329,028	1,234,230
Grants and Contributions Not Restricted to Specific Programs	32,185,392 (2)	22,626,613 (2)	7,488,953	9,935,659
Miscellaneous	379,426	117,865	228,578	182,699
Total Governmental Activities General Revenues	182,897,460	166,970,733	148,597,772	143,931,097
Change in Net Position				
Governmental Activities	\$ 8,201,473	\$ 20,230,658	\$ 7,356,992	\$ (162,516)

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Higher tax revenues were the result of the District's increased property values.

(2) Increase in state aid to offset state mandated decrease in tax rate.

(3) Increase is due to expenditures related to student growth.

(4) Decrease in tax revenues were the result of the state mandated decrease in tax rate.

(5) Decrease in government-wide expenditures is due to the negative on-behalf reported by the nonemployer contributing entity(State), related to OPEB and Pension liabilities.

(6) The decrease is due to switching to 100% virtual learning in the last quarter of the fiscal year due to the coronavirus pandemic.

(7) The increase is due to the opening of the Early Excellence Academy(staff daycare).

Table 2

	2016	2015	2014	2013	2012	2011
\$	84,015,144	\$ 67,660,376	\$ 64,053,457	\$ 57,529,140	\$ 54,853,901	\$ 52,830,648
	1,820,052	1,516,571	1,446,483	1,490,940	1,379,876	1,359,597
	1,950,743	1,259,908	1,059,081	1,085,211	1,060,957	1,151,047
	1,486,902	1,366,800	1,201,533	1,047,845	1,046,748	1,064,216
	8,528,973	6,953,597	6,443,317	6,047,417	5,708,324	5,598,113
	4,563,919	4,025,170	3,833,908	3,710,790	3,399,011	3,449,417
	65,639	65,180	59,804	61,248	59,732	254,764
	1,573,756	1,221,821	1,137,655	1,142,337	1,001,096	1,037,795
	5,259,615	5,005,281	4,880,484	4,597,969	4,925,437	4,500,539
	6,168,181	5,576,810	5,717,567	4,966,651	4,379,968	4,111,298
	5,923,522	5,394,464	5,540,932	5,236,220	5,064,933	4,166,663
	3,552,553	3,128,800	3,003,401	2,802,508	2,560,583	2,564,409
	11,852,403	10,999,205	13,410,332	10,481,103	9,888,738	10,319,560
	451,809	433,968	447,606	418,110	365,048	112,917
	1,821,953	1,746,946	1,682,560	1,521,517	1,729,528	1,619,689
	51,092	18,842	476,529	58,263	41,818	48,600
	14,925,045	15,404,277	13,603,075	12,948,165	13,315,843	10,999,925
	141,723	387,465	737,654	16,283	148,988	130,271
	3,251,261	2,342,623	901,730	65,523	4,492,312	8,975,408
	2,500	24,727	22,620	7,973	22,516	14,479
	886,750	796,744	666,950	633,291	583,557	566,313
	<u>158,293,535</u> (3)	<u>135,329,575</u> (3)	<u>130,326,678</u> (3)	<u>115,868,504</u> (3)	<u>116,028,914</u> (3)	<u>114,875,668</u> (3)
	-	-	-	-	-	-
	<u>158,293,535</u>	<u>135,329,575</u>	<u>130,326,678</u>	<u>115,868,504</u>	<u>116,028,914</u>	<u>114,875,668</u>
	737,476	759,624	577,779	652,924	614,889	657,523
	3,152,123	3,040,043	2,863,223	2,746,723	2,590,416	2,265,108
	1,481,439	1,304,270	1,190,208	1,201,893	1,417,442	1,371,714
	578,978	437,444	648,089	354,689	306,241	337,994
	15,608,695	10,576,894	11,715,123	9,661,952	11,176,201	11,948,258
	<u>21,558,711</u>	<u>16,118,275</u>	<u>16,994,422</u>	<u>14,618,181</u>	<u>16,105,189</u>	<u>16,580,597</u>
	-	-	-	-	-	-
	<u>21,558,711</u>	<u>16,118,275</u>	<u>16,994,422</u>	<u>14,618,181</u>	<u>16,105,189</u>	<u>16,580,597</u>
\$	<u>(136,734,824)</u>	<u>\$(119,211,300)</u>	<u>\$(113,332,256)</u>	<u>\$(101,250,323)</u>	<u>\$(99,923,725)</u>	<u>\$(98,295,071)</u>
	90,717,118 (1)	78,347,780	68,045,469	61,256,505	56,401,809	51,878,692
	28,438,655 (1)	26,113,367	22,642,257	21,100,637	19,469,388	18,128,209
	480,246	560,734	140,182	128,753	147,088	168,033
	18,885,869	19,807,829	21,697,550	19,944,171	22,309,545	24,073,335
	240,885	127,178	3,307	168,253	69,323	1,840
	<u>138,762,773</u>	<u>124,956,888</u>	<u>112,528,765</u>	<u>102,598,319</u>	<u>98,397,153</u>	<u>94,250,109</u>
\$	<u>2,027,949</u>	<u>\$ 5,745,588</u>	<u>\$(803,491)</u>	<u>\$ 1,347,996</u>	<u>\$(1,526,572)</u>	<u>\$(4,044,962)</u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Fiscal Year:	2020	2019*	2018	2017
General Fund				
Non-spendable	\$ 763,860	\$ 702,211	\$ 556,679	\$ 445,734
Restricted for Federal/State Funds Grants	5,557,512	3,471,279	2,726,850	3,301,960
Other Committed	3,810,860	16,192,295	16,628,581	17,563,802
Assigned for:				
Construction	-	-	-	-
Claims and Judgements	-	1,000,000	1,000,000	1,000,000
Capital Expenditures for Equipment	-	3,000,000	3,000,000	3,000,000
Self-Insurance	-	1,000,000	1,000,000	1,000,000
Other Assigned Fund Balance	1,549,556	6,180,002	6,000,000	6,157,308
Unassigned Fund Balance	79,903,039	48,282,615	30,458,625	33,976,827
Total General Fund	\$ 91,584,827	\$ 79,828,402	\$ 61,370,735	\$ 66,445,631
All Other Governmental Funds				
Non-spendable Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Federal/State Funds Grant Restrictions	1,588,542	1,761,065	1,403,800	1,255,590
Capital Acquisition Program and Contractual Obligations	169,767,274 (1)	141,417,321 (1)	155,729,420 (1)	13,877,292
Retirement of Long-term Debt	16,082,236	14,744,613	5,762,825	3,812,804
Other Committed	2,065,471	2,215,404	2,176,773	1,969,148
Total All Other Governmental Funds	\$ 189,503,523	\$ 160,138,403	\$ 165,072,818	\$ 20,914,834

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

- (1) Increase due to sale of bonds for construction of new facilities and renovations of existing facilities. months to pay liability and complete planned construction.
(2) GASB 54 new fund balance categories required beginning with fiscal year ended August 31, 2011

Source of Data: District records - Exhibit C-1 of the Audit Report

Table 3

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (2)</u>
\$ 466,366	\$ 458,042	\$ 530,492	\$ 503,409	\$ 481,105	\$ 400,023
1,321,388	1,963,946	3,338,633	4,908,891	4,006,559	3,349,524
18,500,000	17,459,120	17,459,120	18,300,000	16,000,000	16,000,000
-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
6,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
32,754,397	27,739,914	20,709,537	22,606,078	24,040,498	17,659,755
<u>\$ 64,042,151</u>	<u>\$ 59,621,022</u>	<u>\$ 54,037,782</u>	<u>\$ 58,318,378</u>	<u>\$ 56,528,162</u>	<u>\$ 49,409,302</u>
\$ -	\$ 138,078	\$ 38,548	\$ 43,529	\$ 97,302	\$ 90,509
1,237,457	1,218,349	1,436,254	-	-	287,948
-	46,777,935	78,123,766	9,460,436	10,421,552	24,856,649
3,346,322	1,500,436	2,053,799	1,795,601	1,940,854	2,616,535
1,671,650	1,611,164	1,388,889	3,521,891	2,835,717	2,419,792
<u>\$ 6,255,429</u>	<u>\$ 51,245,962</u>	<u>\$ 83,041,256</u>	<u>\$ 14,821,457</u>	<u>\$ 15,295,425</u>	<u>\$ 30,271,433</u>

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

	<u>2020</u>	<u>2019*</u>	<u>2018</u>	<u>2017</u>
REVENUES				
Local and Intermediate	\$ 156,557,309	\$ 151,066,324	\$ 149,251,867 (2)	\$ 140,566,562
State Programs	41,745,213 (1)	27,415,015	15,084,798	16,062,918 (3)
Federal Programs	8,893,571	8,639,058	7,241,976	7,138,267
Total Revenues	<u>207,196,093</u>	<u>187,120,397</u>	<u>171,578,641</u>	<u>163,767,747</u>
EXPENDITURES				
Current:				
Instruction	96,424,217	81,914,273	86,077,380	78,181,777
Instructional Resources and Media Services	1,668,832	1,648,037	1,772,365	1,625,384
Curriculum and Instructional Staff Development	1,983,646	2,029,778	2,543,832	1,957,855
Instructional Leadership	2,178,355	1,537,187	1,745,159	1,641,832
School Leadership	8,988,180	7,913,941	8,592,977	7,809,519
Guidance, Counseling, and Evaluation Services	4,934,128	4,556,370	4,750,242	4,574,537
Social Work Services	65,995	64,855	66,190	63,190
Health Services	1,751,849	1,681,339	1,696,202	1,613,551
Student (Pupil) Transportation	7,023,995	7,362,615	5,793,999	6,875,436
Food Services	6,763,393	6,083,375	6,004,426	5,729,372
Extracurricular Activities	4,735,214	4,492,272	5,481,900	5,100,227
General Administration	4,751,755	3,379,619	4,017,028	3,674,466
Plant Maintenance and Operations	12,243,524	11,363,078	12,463,176	12,912,216
Security and Monitoring Services	960,105	804,995	576,931	538,751
Data Processing Services	1,960,752	1,733,965	3,232,898	1,824,050
Community Services	71,556	52,756	71,841	39,876
Payments to Juvenile Justice Alternative Education Programs	3,000	22,800	22,800	4,800
Other Intergovernmental Charges:	1,082,229	1,050,348	1,001,642	955,313
Debt Service:				
Principal on Long-term Debt	14,685,000	12,390,000	14,155,000	14,260,000
Interest on Long-term Debt	20,782,224	10,654,393	18,738,008	15,163,713
Issuance Costs and Fees	1,052,253	9,716	1,186,189	809,128
Capital Outlay:				
Facilities Acquisition and Construction	97,612,887	12,851,433	6,850,465	15,349,757
Total Expenditures	<u>291,723,089</u>	<u>173,597,145</u>	<u>186,840,650</u>	<u>180,704,750</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(84,526,996)</u>	<u>13,523,252</u>	<u>(15,262,009)</u>	<u>(16,937,003)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Bonds, Refunding and Building	134,005,000	-	133,405,000	99,645,000
Premium/Discount from Sale of Bonds	17,543,232	-	20,940,097	11,408,431
Sale of Real and Personal Property	-	-	-	60,000
Transfers In	-	-	-	878,156
Transfers Out	(249,691)	-	-	(878,156)
Payment to Refunded Bond Escrow Agent	(25,650,000)	-	-	(77,113,543)
Total Other Financing Sources (Uses)	<u>125,648,541</u>	<u>-</u>	<u>154,345,097</u>	<u>33,999,888</u>
Net Change in Fund Balances	<u>\$ 41,121,545 (4)</u>	<u>\$ 13,523,252</u>	<u>\$ 139,083,088 (4)</u>	<u>\$ 17,062,885</u>
Debt Service(6) as a Percentage of Noncapital Expenditures(4)	18.38%	14.68%	18.27%	17.84%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Increase primarily due to state legislative changes increasing state funding when the M&O tax rate is compressed.

(2) Increase primarily due to an increase in property tax revenue resulting from an increase in property values.

(3) Decrease due to reduced state funding resulting from increased property values and Chapter 41 recapture.

(4) Increase due to sale of general obligation bonds for construction projects.

(5) Noncapital Expenditures are Total Expenditures less Capital Expenditures as stated in Exhibit C-3.

(6) Decrease primarily due to the use of Capital Projects funds to continue construction and renovations of new and existing facilities.

(7) Debt Service includes principal and interest.

Source: District records - Exhibit C-2 of the Audit Report

Table 4

2016	2015	2014	2013	2012	2011
\$ 126,163,582	\$ 111,174,117	\$ 96,683,324	\$ 88,355,928	\$ 81,206,461	\$ 74,951,558
25,402,000	24,982,366	26,887,779	23,903,743	26,920,619	28,017,867
6,284,784	6,120,576	5,984,356	5,278,344	6,508,257	8,003,726
<u>157,850,366</u>	<u>142,277,059</u>	<u>129,555,459</u>	<u>117,538,015</u>	<u>114,635,337</u>	<u>110,973,151</u>
74,070,334	64,575,117	59,582,176	52,798,395	50,494,154	49,169,156
1,563,407	1,334,132	1,243,303	1,254,865	1,142,030	1,123,597
1,906,699	1,282,347	1,057,641	1,082,678	1,056,084	1,147,976
1,442,978	1,403,776	1,197,653	1,042,731	1,038,386	1,057,789
7,889,749	6,773,151	6,117,891	5,673,364	5,331,476	5,233,148
4,300,520	4,009,099	3,711,646	3,578,815	3,265,689	3,324,028
62,814	66,379	59,826	61,196	59,654	254,825
1,508,819	1,202,040	1,097,326	1,094,991	953,248	1,022,794
5,126,338	4,364,522	5,006,711	3,974,949	4,332,949	4,274,697
5,615,014	5,329,768	5,247,943	4,406,515	3,925,750	3,793,891
4,551,552	4,155,502	4,199,928	3,823,206	3,648,972	2,763,199
3,435,101	3,177,954	3,001,783	2,796,846	2,543,279	2,553,622
11,518,841	14,170,049	13,805,243	10,223,658	9,347,163	10,342,785
447,730	434,801	447,673	417,957	364,874	113,002
1,683,084	1,677,943	1,539,535	1,390,811	1,622,418	1,535,895
51,204	19,398	476,535	58,252	41,801	48,612
2,500	24,727	22,620	7,973	22,516	14,479
886,750	796,744	666,950	633,291	583,557	566,313
11,315,000	8,295,000	7,270,000	8,165,000	6,280,000	6,920,000
15,936,886	18,849,937	15,230,633	13,172,080	13,894,829	11,825,647
141,723	387,465	737,654	16,283	105,489	740,956
<u>44,962,727</u>	<u>66,565,469</u>	<u>21,916,073</u>	<u>547,911</u>	<u>12,842,572</u>	<u>33,346,431</u>
<u>198,419,770</u>	<u>208,895,320</u>	<u>153,636,743</u>	<u>116,221,767</u>	<u>122,896,890</u>	<u>141,172,842</u>
<u>(40,569,404)</u>	<u>(66,618,261)</u>	<u>(24,081,284)</u>	<u>1,316,248</u>	<u>(8,261,553)</u>	<u>(30,199,691)</u>
-	137,450,000	81,095,000	-	4,715,000	72,630,000
-	22,403,014	6,025,487	-	208,721	5,480,793
-	-	900,000	-	299,635	2,000
878,156	-	-	-	-	1,215,907
(878,156)	-	-	-	-	(1,215,907)
-	(119,446,807)	-	-	(4,818,951)	(17,590,643)
<u>-</u>	<u>40,406,207</u>	<u>88,020,487</u>	<u>-</u>	<u>404,405</u>	<u>60,522,150</u>
<u>\$ (40,569,404) (6)</u>	<u>\$ (26,212,054) (6)</u>	<u>\$ 63,939,203 (4)</u>	<u>\$ 1,316,248</u>	<u>\$ (7,857,148)</u>	<u>\$ 30,322,459 (4)</u>
17.57%	19.30%	17.28%	18.50%	17.71%	16.48%

TOMBALL INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Table 5

Fiscal Year	Assessed Value		Less: Exemptions	Actual Taxable Value	Total Direct Rate (1)
	Real Property Value	Personal Property Value			
2020	\$ 12,895,722,026	\$ 873,101,204	\$ 2,444,262,145	\$ 11,324,561,085	1.29
2019*	11,912,590,160	829,828,817	2,037,893,396	10,704,525,581	1.34
2018	11,187,343,534	1,003,007,501	2,016,166,707	10,174,184,328	1.34
2017	10,686,666,225	1,123,438,494	2,063,462,406	9,746,642,313	1.34
2016	9,751,430,862	1,181,179,447	2,027,518,145	8,905,092,164	1.34
2015	8,164,109,661	1,018,268,070	1,529,748,253	7,652,629,504	1.36
2014	6,907,768,414	1,025,319,254	1,298,817,536	6,634,270,132	1.36
2013	6,188,833,790	1,057,020,308	1,245,816,230	6,000,037,868	1.36
2012	5,840,856,830	1,012,183,659	1,368,018,798	5,485,021,691	1.36
2011	5,066,453,510	821,076,050	786,882,942	5,100,646,618	1.36

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

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

Source: Harris and Montgomery County (Texas) Appraisal Districts provide the District's tax office with appraised values for properties within the District's taxing authority. Appraised value equals assessed value. Assessed value less exemptions equals actual taxable value. Taxable value times the tax rate set by the District's Board of Trustess each fall equals the tax levy.

TOMBALL INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ACTUAL TAXABLE VALUE)
LAST TEN FISCAL YEARS
(Unaudited)

<u>Taxing Authority</u>	<u>2020</u>	<u>2019*</u>	<u>2018</u>	<u>2017</u>
<u>Overlapping Rates:</u>				
Faulkey Gulley MUD	0.32000	0.38000	0.38000	0.38000
Harris County	0.40713	0.41858	0.41801	0.41656
Harris County Dept. of Education	0.00500	0.00519	0.00520	0.00520
Harris County Flood Control Dist.	0.02792	0.02877	0.02831	0.02829
Harris County MUD #280	0.66000	0.67000	0.62500	0.58500
Harris County MUD #281	0.56000	0.57000	0.59000	0.59000
Harris County MUD #286	0.12500	0.13000	0.13000	0.13000
Harris-Montgomery County MUD #386	0.49000	0.46500	0.46500	0.46500
Lone Star College System District	0.10780	0.10780	0.10780	0.10780
Malcomson Road UD	0.44000	0.44000	0.44000	0.44000
Montgomery County	0.44750	0.46670	0.46670	0.46670
Northpointe WC&ID	0.27000	0.27500	0.28000	0.29000
Northwest Harris County MUD #5	0.76000	0.77000	0.78000	0.78000
Northwest Harris County MUD #15	0.59500	0.58000	0.60000	0.63000
Port of Houston Authority	0.01074	0.11550	0.01256	0.01256
Tomball, City of	0.34146	0.34146	0.34146	0.34146
The Woodlands Township	0.22400	0.22730	0.23000	0.23000
<u>District Direct Rates:</u>				
Maintenance & Operations	\$ 0.9700	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.3200	0.3000	0.3000	0.3000
Total District Direct Rates	\$ 1.2900	\$ 1.3400	\$ 1.3400	\$ 1.3400

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.
Source of Data: District's financial advisor.

Table 6

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
0.42000	0.49000	0.52600	0.52600	0.51800	0.49000
0.41923	0.41731	0.41455	0.40021	0.39117	0.38805
0.00542	0.00599	0.00635	0.00662	0.00658	0.00658
0.02733	0.02736	0.02827	0.02809	0.02809	0.02923
0.61000	0.66500	0.70500	0.70500	0.70500	0.70500
0.64000	0.74000	0.86000	0.98000	1.03000	1.05000
0.13000	0.16000	0.18000	0.18000	0.18000	0.18000
0.46500	0.50000	0.72000	0.94000	0.99000	0.99000
0.10790	0.10810	0.11600	0.11980	0.12100	0.11760
0.44000	0.48000	0.53000	0.53000	0.53000	0.53000
0.47670	0.47670	0.48380	0.48380	0.48380	0.48380
0.35000	0.38000	0.38500	0.38500	0.39000	0.39500
0.79000	0.79000	0.79000	0.79000	0.79000	0.80000
0.65000	0.75000	0.83000	0.83000	0.83000	0.83000
0.01342	0.01531	0.01716	0.01952	0.01856	0.02054
0.34146	0.34145	0.34145	0.34145	0.34146	0.25146
0.23000	0.25000	0.29400	0.31730	0.32500	0.32740
\$ 1.0200 0.3200	\$ 1.0200 0.3400	\$ 1.0200 0.3400	\$ 1.0100 0.3500	\$ 1.0100 0.3500	\$ 1.0100 0.3500
<u><u>\$ 1.3400</u></u>	<u><u>\$ 1.3600</u></u>	<u><u>\$ 1.3600</u></u>	<u><u>\$ 1.3600</u></u>	<u><u>\$ 1.3600</u></u>	<u><u>\$ 1.3600</u></u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Table 7

Taxpayer	2020			2011		
	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (2)	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (3)
North Houston TRMC	\$ 157,991,685	1	1.40%			
Hewlett Packard	128,555,226	2	1.14%	\$ 469,336,966	1	9.20%
BJ Services	115,143,874	3	1.02%	144,424,034	2	2.83%
TCH Northwest Associates	110,023,848	4	0.97%			
Sir NE Houston LLC	107,964,547	5	0.95%			
Centerpoint Energy	53,151,912	6	0.47%	31,570,191	5	0.62%
SYNC at Spring Cypress	43,234,649	7	0.38%			
CTP Office LTD	39,603,000	8	0.35%			
SG Cypress Real Estate	39,380,330	9	0.35%			
Lennar Homes	38,675,894	10	0.34%			
The Woodlands Land Dev				67,668,013	3	1.33%
WalMart Stores				35,805,771	4	0.70%
CTP Office LTD				27,413,500	6	0.54%
Genesis Capital Part				26,873,755	7	0.53%
Verde Northpointe AP				23,600,000	8	0.46%
PCA Cypress Creek LLC				22,900,000	9	0.45%
MSR TX Tom LP				16,593,203	10	0.33%
TOTALS	\$ 833,724,965		7.36%	\$ 849,592,230		12.65%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Actual (taxable) value equals appraised/assessed value after exemptions.

(2) Actual taxable value 2019 equals: \$ 11,324,561,085

(3) Actual taxable value 2010 equals: \$ 5,100,646,618

Source: Harris and Montgomery County (Texas) Appraisal Districts

Note: Hewlett Packard was previously Compaq Computer Corp.

TOMBALL INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Table 8

Fiscal Year	Net Tax Levy for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2020	\$ 146,086,838	\$ 143,661,558	98.34%	\$ -	\$ 143,661,558	98.34%
2019*	139,428,703	138,012,030	98.98%	806,686	138,818,716	99.56%
2018	134,998,049	135,039,031	100.03%	(420,338)	134,618,693	99.72%
2017	130,163,080	129,031,883	99.13%	867,852	129,899,735	99.80%
2016	118,788,298	117,424,796	98.85%	1,184,604	118,609,400	99.85%
2015	104,066,291	103,047,623	99.02%	872,712	103,920,335	99.86%
2014	90,358,985	89,262,641	98.79%	949,294	90,211,935	99.84%
2013	81,486,100	80,741,322	99.09%	624,529	81,365,851	99.85%
2012	74,747,312	73,815,305	98.75%	828,345	74,643,650	99.86%
2011	69,510,302	68,415,033	98.42%	907,699	69,322,732	99.73%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

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

Source: Exhibit J-1, per Audit Report provides original levy and continuing adjustments to be reflected as net levy, and provides collections in year of levy as well as subsequent years. Collections are reported from District records.

TOMBALL INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Table 9

<u>Fiscal Year</u>	<u>Governmental Activities General Obligation Bonds (1)</u>	<u>Total Primary Government</u>	<u>Ratio of Debt to Actual Taxable Value (2)</u>	<u>Ratio of Debt to Personal Income (3)</u>	<u>Debt Per Capita(4)</u>	<u>Debt Per Student (5)</u>
2020	\$ 657,380,053	\$ 657,380,053	5.80%	(6)	(6)	\$ 35,934
2019*	548,881,402	548,881,402	5.13%	0.19%	\$ 116	32,403
2018	563,986,782	563,986,782	5.54%	0.21%	120	35,397
2017	426,268,627	426,268,627	4.37%	0.17%	92	28,547
2016	406,598,509	406,598,509	4.57%	0.17%	89	30,221
2015	419,518,993	419,518,993	5.48%	0.17%	92	33,242
2014	382,513,067	382,513,067	5.77%	0.15%	86	32,133
2013	304,534,957	304,534,957	5.08%	0.13%	70	27,278
2012	313,062,621	313,062,621	5.71%	0.14%	74	29,660
2011	318,624,785	318,624,785	6.25%	0.16%	76	27,139

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.
(1) Details regarding the District's outstanding debt, net of premiums, discounts, and adjustments can be found in the Notes to the Financial Statements.
(2) See Table 5 for actual taxable value data.
(3) See Table 12 for personal income data.
(4) See Table 12 for population data.
(5) See Table 15 for student average daily attendance data.
(6) Data not available for the year.

Source: District records.

TOMBALL INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Table 10

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Less Amounts Available in Debt Service Fund (4)</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Actual Taxable Value (2)</u>	<u>Net General Bonded Debt per Student (3)</u>
2020	\$ 657,380,053	\$ 16,082,236	\$ 641,297,817	5.66%	\$ 35,055
2019*	548,881,402	14,744,613	534,136,789	4.99%	31,533
2018	563,986,782	5,762,825	558,223,957	5.49%	35,036
2017	426,268,627	3,812,804	422,455,823	4.33%	28,292
2016	406,598,509	3,346,322	403,252,187	4.53%	29,973
2015	419,518,993	1,500,436	418,018,557	5.46%	33,123
2014	382,513,067	2,053,799	380,459,268	5.73%	31,961
2013	304,534,957	1,795,601	302,739,356	5.05%	27,117
2012	313,062,621	1,940,854	311,121,767	5.67%	29,476
2011	318,624,785	2,616,535	316,008,250	6.20%	31,397

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Details regarding the District's outstanding debt, net of premiums, discounts, and adjustments can be found in the Notes to the Financial Statements.

(2) See Table 5 for actual taxable value data.

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

(4) These are the resources that are restricted for the principal payments of general obligation debt per the Debt Service Fund.

Source: District records.

TOMBALL INDEPENDENT SCHOOL DISTRICT

Table 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2020

(Unaudited)

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to School District</u>
<u>Overlapping:</u>			
Governmental Subdivisions			
Harris County	\$ 1,885,182,125	1.99 %	\$ 37,515,124
Harris County Flood Control District	83,075,000	1.99	1,653,193
Harris County Hospital District	86,050,000	1.99	1,712,395
Montgomery County	509,380,000	1.46	7,436,948
Port of Houston Authority	572,569,397	1.99	11,394,131
The Woodlands Township	28,220,000	11.39	3,214,258
Cities			
City of Tomball	34,495,000	100.00	34,495,000
Special Districts			
Harris County Department of Education	6,320,000	1.99	125,768
Harris-Montgomery Cos Management Di	2,700,000	0.01	270
Harris-Montgomery Counties MUD #386	151,395,000	100.00	151,395,000
Malcomson Road UD	3,700,000	100.00	3,700,000
Northpointe WC&ID	18,430,000	100.00	18,430,000
Northwest Harris County MUD #5	137,130,000	59.29	81,304,377
Northwest Harris County MUD #15	14,880,000	100.00	14,880,000
Wood Trace MUD #1	21,490,000	100.00	21,490,000
Co-Line Special Districts			
Faulkey Gulley MUD	6,690,000	52.20	3,492,180
Harris County MUD #280	4,190,000	100.00	4,190,000
Harris County MUD #281	12,830,000	100.00	12,830,000
Harris County MUD #282	19,805,000	100.00	19,805,000
Harris County MUD #416	12,135,000	100.00	12,135,000
Harris County MUD #542	3,155,000	100.00	3,155,000
Co-Line School Districts & Junior College Districts			
Lone Star College System	570,885,000	5.59	31,912,472
Total Overlapping Debt			476,266,116
<u>Direct:</u>			
Tomball Independent School District	657,380,053	100.00	657,380,053
Total Direct and Overlapping Debt			<u>\$ 1,133,646,169</u>

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Source: District's Financial Advisor.

TOMBALL INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Table 12

Fiscal Year	Residential Units (1)	Actual Taxable Value of Residential Units (1)	Average Actual Taxable Value Per Residential Unit	Population (2)	Total Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2020	27,873	\$ 8,067,704,624	\$ 289,445	(4)	(4)	(4)	10.0%
2019*	25,636	7,278,665,606	283,924	4,713,325 (3)	\$ 282,809,166,000 (3)	\$ 60,002 (3)	3.7%
2018	25,589	6,788,889,211	265,305	4,698,619 (5)	272,542,077,000 (3)	58,235 (3)	4.2%
2017	24,435	6,453,436,400	264,106	4,652,980 (3)	247,482,118,000 (3)	53,188 (3)	5.0%
2016	23,156	5,418,685,803	234,008	4,589,928 (3)	236,329,533,000 (3)	51,186 (3)	5.3%
2015	21,534	4,664,726,298	216,621	4,538,028	249,989,500,000	55,088	4.9%
2014	20,896	3,880,071,806	185,685	4,441,370	252,694,912,000	56,896	5.5%
2013	19,542	3,375,945,264	172,753	4,336,853	230,462,963,000	53,141	6.2%
2012	18,804	3,143,378,599	167,165	4,253,963	224,617,980,000	52,805	6.9%
2011	17,803	2,930,113,218	164,585	4,176,674	204,593,445,000	48,935	8.2%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Single family dwellings. Source: Harris and Montgomery County (Texas) Appraisal Districts

(2) Source: TRACER of Texas Workforce Commission for Harris County. (<https://texaslmi.com/LMIbyCategory/LAUS>)

(3) Source: U.S. Bureau of Economic Analysis, Per Capita Personal Income in Harris County, TX - County & Interactive Tables

(4) Data not available for this year.

(5) Source: U.S. Census Bureau (<https://www.census.gov/quickfacts/harriscountytexas>)

TOMBALL INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Table 13

Employer	2020 (1)			2011 (2)		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart Stores	37,000	1	1.71%	28,500	1	1.06%
Memorial Hermann Healthcare System	24,108	2	1.11%	20,551	2	0.76%
H-E-B	23,732	3	1.10%	16,500	4	0.61%
The University of Texas MD Anderson Cancer Center	21,086	4	0.97%	18,012	3	0.67%
McDonalds Corp.	20,918	5	0.97%	-	-	-
The Methodist Hospital System	20,000	6	0.92%	13,322	8	0.50%
Kroger	16,000	7	0.74%	14,015	7	0.52%
United Airlines	14,941	8	0.69%	16,290	5	0.61%
Schlumberger	12,069	9	0.56%	9,612	10	0.36%
Shell Oil Co.	11,507	10	0.53%	10,700	9	0.40%
Exxon-Mobil				14,600	6	0.54%
	<u>201,361</u>		<u>9.30%</u>	<u>162,102</u>		<u>6.02%</u>

(1) Total employment 2020 equals: 2,164,755

(2) Total employment 2011 equals: 2,690,900

Sources: <https://houstonnewcomersguides.com/top-10-houston-area-employers>
(<https://texasmi.com/LMIbyCategory/LAUS>) Employment data is for Harris County only.

TOMBALL INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION
LAST TEN FISCAL YEARS
(Unaudited)

POSITION:	2020	2019*	2018	2017
Administrative/Instructional Officers	15.1	17.0	17.0	16.0
Assistant/Deputy Superintendents	9.0	8.0	8.0	3.0
Associate/Assistant Principals	35.0	35.8	35.0	31.8
Auxiliary Staff	700.5	642.9	662.8	621.7
Counselors	33.8	33.8	31.4	29.0
Educational Aides/Interpreters	189.0	212.5	210.5	193.9
Educational Diagnosticians	12.0	13.5	13.0	14.0
Librarians	18.0	18.0	18.0	18.0
Nurses/Physicians	17.4	19.8	18.0	18.3
Other Support Staff	72.3	64.7	62.9	64.9
Principals	20.0	20.0	19.0	19.0
Psychologist/Assoc. Psychologist	11.0	8.5	7.0	6.0
Superintendents	1.0	1.0	1.0	1.0
Supervisors	-	-	-	-
Teachers	1,082.9	1,045.1	989.2	933.7
Therapists	20.6	18.6	14.0	13.0
Total Employees	2,237.6	2,159.3	2,106.7	1,983.2

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.
Source: Texas Education Agency

Table 14

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
14.5	12.0	11.0	9.5	10.5	12.5
3.0	3.0	4.0	5.0	5.0	5.0
30.0	27.0	28.0	24.9	23.0	23.1
568.6	551.0	518.9	490.0	470.5	440.0
28.0	23.5	22.0	21.0	20.0	20.0
180.1	159.2	151.2	140.8	119.6	136.0
11.5	12.5	10.9	8.4	8.4	8.0
16.0	13.8	13.5	14.0	13.0	12.0
19.8	16.4	16.0	13.8	14.0	15.0
68.7	61.5	60.5	52.8	50.9	47.6
18.0	15.0	15.0	15.0	14.0	14.0
7.5	6.5	6.0	6.0	6.0	6.0
1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	-	-	-
875.0	806.6	760.7	711.1	669.5	659.0
13.0	12.6	12.2	9.7	9.0	9.0
<u>1,854.7</u>	<u>1,721.6</u>	<u>1,630.8</u>	<u>1,523.0</u>	<u>1,434.3</u>	<u>1,408.2</u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2020	18,294	\$ 156,464,613	\$ 8,553	8.19%
2019*	16,939	133,910,834	7,905	-13.68%
2018	15,933	145,925,102	9,159	1.55%
2017	14,932	134,670,616	9,019	-4.97%
2016	13,454	127,680,878	9,490	5.89%
2015	12,620	113,106,124	8,962	-0.27%
2014	11,904	106,977,074	8,987	6.76%
2013	11,164	93,978,314	8,418	-5.10%
2012	10,555	93,627,554	8,870	-5.27%
2011	10,065	94,250,720	9,364	7.64%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Operating expenditures (Table 4) are total expenditures less debt service and capital outlay.

(2) Percentage change from prior year is due to adjustments to expenses for implementation of GASB 75.

Source: Texas Education Agency and district records.

Table 15

<u>Government Wide Expenses</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
\$ 205,605,906	\$ 11,239	9.76%	1,082.9	16.89	24.0%
173,442,051	10,239	19.65% (2)	1,045.1	16.21	24.2%
136,351,389	8,558	-22.69% (2)	989.2	16.11	21.7%
165,298,529	11,070	-5.91%	933.7	15.99	21.6%
158,293,535	11,766	9.72%	875.0	15.38	21.7%
135,329,575	10,723	-2.05%	806.6	15.65	22.0%
130,326,678	10,948	5.49%	760.7	15.65	22.0%
115,868,504	10,379	-5.59%	711.1	15.70	23.5%
116,028,914	10,993	-3.69%	669.5	15.76	16.3%
114,875,668	11,413	2.50%	659.0	15.27	24.9%

TOMBALL INDEPENDENT SCHOOL DISTRICT
 TEACHER BASE SALARIES
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 16

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)		Statewide Average Salary
			Harris County	Montgomery County	
2020	\$ 55,300	\$ 77,475	\$ 60,160	\$ 59,758	\$ 57,091
2019*	54,000	75,458	57,423	57,487	54,122
2018	53,200	75,458	56,943	56,509	53,334
2017	52,000	72,615	55,888	55,670	52,525
2016	52,000	72,615	55,791	54,027	51,892
2015	50,000	71,669	54,284	52,730	50,715
2014	50,000	69,632	52,356	51,414	49,692
2013	47,000	70,104	51,124	50,122	48,821
2012	47,000	68,751	50,536	49,065	48,375
2011	46,700	67,547	50,712	49,292	48,639

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Source: District records

(2) Tomball ISD is primarily located in Harris County. Because a small portion of the district is located in Montgomery County, average salaries are being reported for both counties.

TOMBALL INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS*
(Unaudited)

Building:	2020	2019*	2018	2017
HIGH SCHOOL				
Tomball (1974)				
Square Footage	571,164	571,164	571,164	571,164
Capacity	3,628	3,628	3,628	3,628
Enrollment	2,238	2,059	1,931	1,876
Tomball Memorial (2011)				
Square Footage	360,000	360,000	360,000	360,000
Capacity	2,349	2,349	2,349	2,349
Enrollment	2,406	2,313	2,247	2,132
Tomball Star (2017) (Located in Tomball High)				
Square Footage	-	-	-	-
Capacity	-	-	-	-
Enrollment	292	224	104	-
JUNIOR HIGH SCHOOLS				
Tomball (1993)				
Square Footage	169,994	169,994	169,994	169,994
Capacity	1,118	1,118	1,118	1,118
Enrollment	827	766	740	767
Willow Wood (2003)				
Square Footage	195,960	195,960	195,960	195,960
Capacity	1,264	1,264	1,264	1,264
Enrollment	1,492	1,353	1,251	1,140
Creekside Park (2016)				
Square Footage	228,346	228,346	228,346	228,346
Capacity	1,500	1,500	1,500	1,500
Enrollment	878	765	672	596
INTERMEDIATE SCHOOLS				
Tomball (1962)				
Square Footage	133,444	133,444	133,444	133,444
Capacity	975	975	975	975
Enrollment	784	763	753	708
Northpointe (2003)				
Square Footage	106,512	106,512	106,512	106,512
Capacity	980	980	980	980
Enrollment	747	753	709	671
Oakcrest (2015)				
Square Footage	121,597	121,597	121,597	121,597
Capacity	920	920	920	920
Enrollment	790	693	631	524

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

Source: District records and Texas Education Agency.

Note: The square footage of buildings may fluctuate due to the addition or removal of portable classroom buildings in addition to constructing permanent additions. Capacities may fluctuate due to a change in program use of various areas of the building.

Table 17

2016	2015	2014	2013	2012	2011
571,164	571,164	573,156	573,156	570,216	570,216
3,611	3,611	3,933	3,628	3,628	3,628
1,865	1,624	1,612	1,551	1,878	3,099
360,000	360,000	368,640	364,320	360,000	-
2,349	2,349	2,349	2,343	2,349	-
2,137	1,942	1,949	1,787	1,307	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
168,932	168,932	168,935	168,935	164,615	164,615
1,256	1,256	1,071	1,111	1,111	1,111
1,038	922	896	830	799	748
181,668	181,668	194,870	190,550	187,670	187,670
1,186	1,186	1,264	1,191	1,191	1,191
1,126	1,028	1,025	1,029	934	869
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
132,450	132,450	127,445	127,445	116,700	116,700
1,063	1,063	920	900	900	900
698	715	700	715	708	700
106,635	106,635	115,152	113,712	106,512	106,512
1,011	1,011	920	900	900	900
671	1,012	1,019	941	863	869
129,875	-	-	-	-	-
920	-	-	-	-	-
518	-	-	-	-	-

TOMBALL INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS*
(Unaudited)

Building:	2020	2019*	2018	2017
ELEMENTARY SCHOOLS				
Lakewood (1983)				
Square Footage	90,951	90,951	90,951	90,951
Capacity	886	886	886	886
Enrollment	889	849	817	799
Decker Prairie (1983)				
Square Footage	87,367	87,367	87,367	87,367
Capacity	888	888	888	888
Enrollment	650	706	650	624
Tomball (1999)				
Square Footage	105,429	105,429	105,429	105,429
Capacity	866	866	866	866
Enrollment	695	773	717	724
Willow Creek (1999)				
Square Footage	105,429	105,429	105,429	105,429
Capacity	866	866	866	866
Enrollment	788	777	797	771
Rosehill (2003)				
Square Footage	99,500	99,500	99,500	99,500
Capacity	866	866	866	866
Enrollment	735	448	484	468
Canyon Pointe (2008)				
Square Footage	99,696	99,696	99,696	99,696
Capacity	866	866	866	866
Enrollment	767	813	808	769
Creekside Forest (2010)				
Square Footage	127,310	127,310	127,310	127,310
Capacity	746	746	746	746
Enrollment	571	546	549	557
Timber Creek (2012)				
Square Footage	120,000	120,000	120,000	120,000
Capacity	888	888	888	888
Enrollment	653	573	517	491
Creekview (2015)				
Square Footage	115,580	115,580	115,580	115,580
Capacity	920	920	920	920
Enrollment	812	724	627	527
Wildwood (2015)				
Square Footage	115,036	115,036	115,036	115,036
Capacity	920	920	920	920
Enrollment	1,145	1,041	928	787

Table 17

2016	2015	2014	2013	2012	2011
93,841	93,841	86,970	88,410	86,970	86,970
1,580	1,580	926	848	848	848
782	770	766	753	753	709
93,841	93,841	86,970	88,410	86,970	86,970
1,580	1,580	900	926	926	926
597	604	602	574	559	581
96,841	96,841	99,320	102,200	95,000	95,000
866	866	866	838	838	838
705	741	720	698	729	724
93,841	93,841	96,440	102,200	95,000	95,000
866	866	866	860	860	860
763	902	901	847	813	844
93,841	93,841	95,000	96,440	95,000	95,000
866	866	866	826	826	826
465	568	562	568	545	529
106,448	106,448	102,760	102,760	97,000	97,000
856	856	866	826	826	826
754	987	963	818	751	670
117,248	117,248	121,880	121,880	119,000	119,000
714	714	722	730	730	730
461	766	764	761	547	694
115,930	115,930	120,000	120,000	-	-
842	842	844	844	-	-
406	656	642	490	-	-
114,657	-	-	-	-	-
920	-	-	-	-	-
454	-	-	-	-	-
114,657	-	-	-	-	-
920	-	-	-	-	-
760	-	-	-	-	-



Not just a district, a destination.

**Tomball Independent School District
310 S. Cherry Street
Tomball, Texas 77375**

www.tomballisd.net