

Fiscal Year Ended June 30, 2021

Annual Comprehensive Financial Report



Garland Independent School District
Garland, Texas



GARLAND INDEPENDENT SCHOOL DISTRICT
GARLAND, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2021

Prepared by:
The Division of Finance

GARLAND INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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Introductory Section

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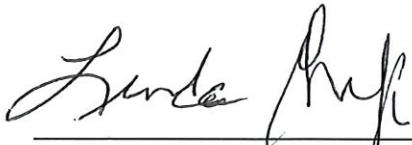
CERTIFICATE OF THE BOARD

Garland Independent School District
Name of School District

Dallas
County

057-909-10
County-District-Regional No.

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



Signature of Board Secretary



Signature of Board President

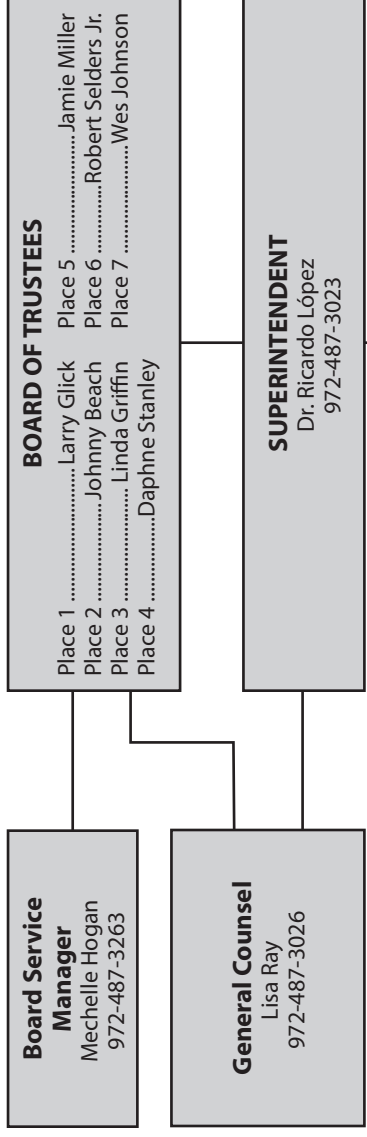
BOARD OF TRUSTEES

Name	Position	Place	Length of Service	Term Expires	Occupation
Larry Glick	Member	1	14 years	May 2022	Tax Attorney
Johnny Beach	Member	2	5 years	May 2022	Retired Educator
Linda Griffin	Secretary	3	23 years	May 2022	Consultant
Daphne Stanley	Member	4	5 months	May 2023	Senior Merchandise Planner
James Miller	President	5	4 years	May 2023	Executive Vice President / Chief Lending Officer
Robert Selders, Jr.	Assistant Secretary	6	6 years	May 2024	Business Owner
Wesley Johnson	Vice President	7	3 years	May 2024	Attorney

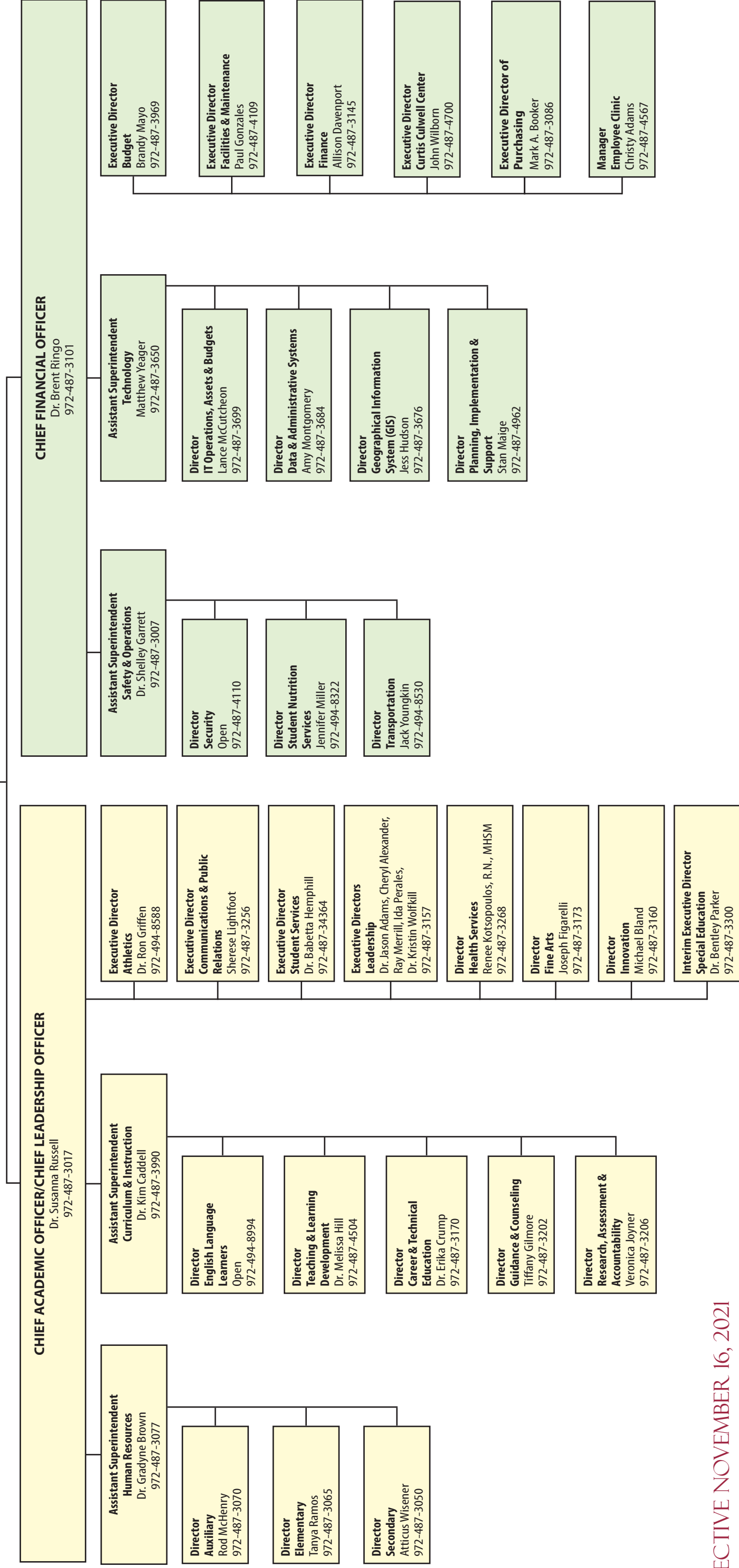
ADMINISTRATIVE OFFICIALS

Name	Position	Length of GISD Service
Dr. Ricardo López	Superintendent	4 years
Dr. Brent Ringo	Chief Financial Officer	3 years
Dr. Susanna Russell	Chief Leadership Officer	3 years
Lisa Ray	General Counsel	3 years
Dr. Kim Caddell	Assistant Superintendent of Curriculum & Instruction	17 years
Dr. Shelley Garrett	Assistant Superintendent of Safety & Operations	2 years
Dr. Gradyne Brown	Assistant Superintendent of Human Resources	20 years
Matthew Yeager	Assistant Superintendent of Technology	3 years

ORGANIZATIONAL CHART



THE GARLAND INDEPENDENT SCHOOL DISTRICT EXISTS
AS A DIVERSE COMMUNITY WITH A
SHARED VISION THAT SERVES TO PROVIDE
AN EXCEPTIONAL EDUCATION TO ALL ITS STUDENTS.



Garland Independent School District
Division of Business Operations

Street Address

Harris Hill Administration Building
501 S. Jupiter RD
Garland, TX
75042

Phone

972-487-3100

FAX

972-485-4922

November 16, 2021

Board of Trustees and Citizens of the
Garland Independent School District
501 S. Jupiter Road
Garland, Texas 75042

Ladies and Gentlemen:

The Texas Education Agency requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA). The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Garland Independent School District (the District) for the fiscal year ended June 30, 2021.

The Annual Comprehensive Financial Report (“ACFR”) is presented in five sections:

1. **Introductory Section**, which includes the Certificate of the Board, the Letter of Transmittal, the Plan of Organization, Board of Trustees and Administrative Officials, the Government Finance Officers Association (“GFOA”) Certificate of Achievement in Financial Reporting, and the Association of School Business Officials (“ASBO”) Certificate of Excellence.
2. **Financial Section**, which includes the Independent Auditor’s Report, Management’s Discussion and Analysis (“MD&A”), the Basic Financial Statements, Combining and Individual Statements and Schedules, and Supplementary Information.
3. **Required TEA Schedules Section**, which includes the Schedules of Delinquent Taxes Receivable and Changes in Fund Balance Budget and Actual-Debt Service Fund.
4. **Statistical Section**, which includes financial and demographic information.
5. **Federal Awards Section**, which includes the Auditor’s Reports, Schedule of Expenditures of Federal Awards, and Schedule of Findings and Questioned Costs.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order 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. Additionally, the internal control framework is designed to compile sufficient, reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because costs of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable assurance, rather than absolute assurance, that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Whitley Penn, L.L.P., a firm of independent auditors, has audited the financial statements of the District. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The District is including all information required by the TEA as set forth in the Financial Accountability System Resource Guide. In order to comply with state-mandated audit requirements, data control codes are shown on all of the financial statements. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Uniform Guidance, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and independent auditor's reports on the internal control and compliance with applicable laws and regulations is included in this report and sent to the TEA.

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

PROFILE OF THE DISTRICT

The District was created in 1949 and is the fifteen largest school district in Texas. Residents of the District elect a seven-member Board of Trustees (the Board), each of whom serves for three years. Semi-monthly meetings of the Board are posted and advertised as prescribed under state law so the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or work sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

Serving the communities of Garland, Rowlett, and Sachse, the District's boundaries encompass approximately 93 square miles in Dallas County. The District 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, college preparatory, and career and technical programs. The District is fully accredited by the TEA.

The District has seven traditional high schools serving students in grades nine through twelve. The District has a nontraditional high school program serving students in grades nine through twelve and a high school offering advanced-level career and technical education classes. The District has twelve middle schools, forty-seven elementary schools, including two Montessori campuses, two Pre-Kindergarten centers, and two special learning centers.

The table below shows the demographic composition of the District during the 2010-11 and 2020-21 school years.

	<u>2010-11</u>	<u>2020-21</u>
Enrollment	57,614	53,921
African-American	17.0%	18.0%
American Indian	0.6%	0.3%
Asian	8.0%	9.5%
Hispanic	47.8%	54.0%
Native American		0.1%
Pacific Islander	0.1%	
White	24.5%	15.5%
Two or More		2.7%
Economically Disadvantaged	59.0%	70.7%
English Language Learners	21.9%	33.5%
Graduates	3,701	4,200

The District’s total student population decreased over the past 10 years, averaging a loss of 450 student per year. Of the loss, 77% of the loss has occurred over the past five years and is mainly the result of fewer elementary students. The District has begun to see increases for Pre-K enrollment and looks for that trend to continue in the coming years. However, need for student academic support continues to increase, as evidenced in increases in student groups based on special program identification and the learning loss created by the pandemic. These changes require adjustments in the instructional programs. Educational research suggests economically disadvantaged students come to school with academic needs that should be addressed through early childhood programs, accelerated instruction, and extended learning time. The District is utilizing Elementary and Secondary School Emergency Relief (ESSER) funding to meet identified needs and learning loss for all students. .

Another challenge facing many Texas school districts is the growing number of students who are learning English as a second language and do not currently possess grade-level appropriate English-language proficiency. While the majority of non-English speakers are Hispanic, the District serves students speaking more than 62 different languages. The most common languages are Spanish, Vietnamese, Amharic, Arabic and Malayalam. The District is continuing to expand and improve the bilingual and English-as-a-Second Language instructional programs. The growth, particularly in these two areas, is an ongoing challenge for the Garland Independent School District.

There are a number of charter schools that serve the same population as Garland ISD. These charter schools receive their charters from the state and are separate and apart from Garland ISD. The District competes with these charter schools for the same students. Similar to Garland ISD, these charter schools receive state funding based on their Average Daily Attendance and special population counts. However, unlike Garland ISD, they do not have the ability to levy local property taxes. As such, relative to Garland ISD, these charter schools are generally more heavily dependent on state revenues for their Maintenance and Operations funding.

A high degree of professionalism exists among the District’s employees and an on-going recognition of student and staff excellence contributes to this environment. The instructional program is geared toward having the students meet or exceed grade-level expectations. Emphasis is placed on higher-level thinking skills, including research methodologies and independent, complex, and critical thinking skills.

The District attracts highly qualified personnel because of its commitment to excellence. The following table shows the employee composition of the District during the 2010-11 and 2020-21 school year.

	<u>2010-11</u>	<u>2020-21</u>
Total Staff	7,346	7,223
Teachers	3,712	3,609
Masters or Doctorate	27.7%	32.5%
Average Years of Experience	11.5	11.3
Student/Teacher Ratio	15.5	14.9

The District maintains budgetary controls throughout all of its financial systems. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the general fund, debt service fund, and student nutrition services fund (which is included in the special revenue fund). In accordance with procedures prescribed by the Texas Education Code, the Board must approve budget amendments that affect the total amount in a fund or functional spending category prior to the expenditure of funds. The functional level is specified by Board policy as the legal level of budgetary control.

FINANCIAL CONDITION AND LONG RANGE PLANNING

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

Local Economy. The District is located approximately fourteen miles northeast of downtown Dallas. The economic condition of the area within the District’s boundaries has improved slightly from the prior year. The table below compares property values for the District.

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Certified Market Value	\$26,160,946,650	\$28,817,252,033	\$29,074,711,260
Average Market Value of Residence	\$211,856	\$225,374	\$233,056

The housing market has remained strong and property values continue to rise as shown above. The DFW housing market is dealing with wave of buyer demand from first-time millennial buyers, renters, relocations buyers and low supply of existing home listings. Demand is far exceeding supply and homebuilders are struggling to meet that demand. Homebuilders are experiencing lack of materials and labor shortages and they are aggressively pricing new homes. These challenges are extending the build times for buyers. During fiscal year 2021, new homebuilders started 983 and closed 754 in the district, which is the highest annual start rate since 2004-05. The median new home price during this time as \$387,287. There are 1,139 single-family lots under developed as of June 2021 with another 3,951 future lots planned. There are nearly 4,700 new apartments are in process or currently planned in the district. Residential growth is expected to generate approximately 3,900 new students over the next 10 years. But due to large graduating classes and declining elementary enrollment, residential growth will likely only keep district enrollment on a flat-growth path over the next five years.

State Funding. The State funding formula continues to affect the District’s financial operations. In June 2019, the 86th Texas Legislature passed House Bill (HB3), which impacts funding beginning with the 2019-20 school year. The bill provides more money for Texas classrooms, increases teacher compensation, and cuts local property taxes for Texas taxpayers. The bill is broken down by four major areas: Supports Teachers and Rewards Teacher Excellence, Focuses on Learning and Improving Student Outcomes, Increases Funding and Equity and Reduces and Reforms Property Taxes and Recapture.

This bill supports teachers by increasing the Basic Allotment from \$5,140 to \$6,160. It also required districts to allocate 30% of new funding toward full-time employee increases when the basic allotment increases, with 75% of this going to teacher, counselors, nurses and librarians.

HB3 Focuses on learning and improving student outcomes include establishing an Early Education Allotment for students in grade K-3 who are educationally disadvantaged or limited English proficiency. It also establishes a new Dyslexia Allotment of 0.1 per ADA and a Dual Language Allotment. It also focused on improving college, career and military readiness (CCMR) by requiring school boards to adopt and monitor CCMR plans. It increased funding for college pre exams, industry certification exams, career and technical education. HB3 increased funding and equity by increasing compensatory education weight from 0.2 to one of five values from 0.225 – 0.275 based upon the census tier for educationally disadvantaged students.

The 87th Texas Legislature committed to fully funding HB3 even in the wake of a global pandemic. HB 1525 is the major school finance legislation to come out of the session and it started as an HB 3 clean-up bill, but many additional provisions were added as it moved through the process. This bill addressed issues created by HB3 and instituted other new programs, funding changes and requirements not previously in statute.

As of September 2, 2021, the Texas Education Agency (TEA) informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

LEAs have reported to the TEA that attendance rate declines continue to occur due to COVID-19. As a result, the TEA is exploring options to ensure school systems will not experience significant financial difficulties. Additionally, LEAs had varying daily rates of attendance during the 2020-2021 school year due to the impact of virtual learning options. Once the TEA receives this local information in a PEIMS upload this fall, it will be equipped to analyze, understand, and determine potential changes to the rules around waivers, particularly low attendance waivers. As of the date of this report, the District has not determined the impact.

Bond Election and Issuance. Garland ISD voters approved a \$455.5 million bond package on November 4, 2014 to fund significant investments to address the following:

- Secured entrances
- Access control systems for building entrances, security cameras, and fire alarm equipment
- Americans with Disabilities Act door hardware and secure classroom door locks
- Americans with Disabilities Act restrooms
- Mechanical, electrical, plumbing, and fire sprinkler improvements
- Window replacements
- Lights at ball fields
- Restroom and concession stands at ball fields
- Fine Arts expansion of band, choir, and orchestra rooms
- Career and Technical Education Center
- Natatorium
- Classroom computer replacement
- One-to-one student devices in secondary schools

In June 2015, the District issued Series 2015A, Unlimited Tax School Building and Refunding Bonds, and Series 2015B, Unlimited Tax School Building Bonds, utilizing \$196,055,000 of the November 2014 voted authorization. In October 2016, the District issued \$150,250,000 Unlimited Tax School Building Bonds, Series 2016, utilizing \$170,000,000 of the November 2014 voted authorization. The remaining voted authorization of \$89,445,000 was issued in July 2018.

The 2014 bond program is expected to be completed during fiscal year 2022. All interest earnings and savings from completed projects will be used for other capital projects and renovations throughout the District.

Management continues to evaluate the renovation and new facility needs of the District. The table below provides the average age of District campuses by type based on the year the campus opened.

	<u>Number</u>	<u>Average Age</u>
Pre-Kindergarten Centers	2	15 years
Elementary Schools	47	44 years
Middle Schools	12	47 years
High Schools	7	44 years
Other Learning Centers	4	36 years

Fund Balance. The unassigned fund balance in the general fund is 51.7% of general fund expenditures and 48.3% of the 2022 adopted general fund budget. This represents 6.2 months of operations in the general fund. The District has been aware of the possibility of fluctuations in state funding for several years and has taken steps to control expenditures and increase operational efficiencies. Accordingly, the fund balance in the general fund has increased for 10 consecutive years, although FY21 is the smallest addition to fund balance that the district has experienced over that period.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

As with most schools throughout the country, Garland ISD faced the challenge of educating their students head on during the midst of the Coronavirus pandemic. The first four weeks of the 2020-2021 school year saw students starting all of their classes virtually. Parents and students were then given the option to continue to learn virtually or return to the classroom in the more traditional face-to-face learning environment and more than 18,000 students headed back to the classroom. The Board of Trustees also approved a new school calendar and the district became the first school district in North Texas to introduce and implement intersession weeks. The intersession weeks will allow students to receive targeted instructional help as well as offer enrichment and acceleration and help in real time. The libraries at the schools also launched curbside services, which allowed all students to continue to check books out to read. The district also expanded its Pre-K options to now offer half-day Pre-K in 27 of the elementary campuses as well as two prekindergarten centers. Families were also able to choose full-day, half-day and Spanish or Vietnamese bilingual options. Garland ISD is the only district in North Texas to offer a Vietnamese Dual Language program. The district also continued to provide free meals for all children 18 years old and younger for the duration of the school year.

As face-to-face learning resumed throughout the district, it became apparent that there was a great need for additional substitute teachers. While many of the district's regular substitute teachers were unable to assist in the classroom because of COVID-19, the central administration staff stepped up to the plate and returned to the classroom to cover teacher vacancies. The Board of Trustees also voted to increase the pay of substitute teachers.

While the 2019-20 school year saw the addition of ESports at each of the seven district high schools as well as the Gilbreth-Reed Career and Technical Center, the 2020-21 school year saw the expansion of the ESports clubs to five of the district middle schools, as well as Memorial Pathway Academy. The middle school clubs played as junior varsity teams under their partner high school's umbrella. Garland ISD became the largest school district to have all of its high schools compete for a state championship title and advance to the playoffs during its first year.

Garland ISD has also excelled in its Visual and Performing Arts programs. Garland ISD received its 12th distinction as a 2021 Best Communities for Music Education by the National Association of Music Merchants Foundation.

Garland ISD received several awards and recognitions throughout the year. They received a Certificate of Achievement for Excellence in Financial Reporting, which is the highest form of recognition available awarded by the Government Finance Officers Association of the United States and Canada. The district also earned a Debt Obligations Transparency Star from the Texas Comptroller and was one of less than 30 districts to hold the certificate in addition to a Traditional Finances Transparency Star. The district received a Transparency Star for Contracts & Procurement for showing its commitment to accountability and transparency in contracting activities and providing easy online access to important financial data. Garland ISD also became one of fewer than five percent of districts nationwide to be awarded the EVERFI Champion Seal for its commitment to whole-child education. Garland ISD was also invited to the TEA's System of Great Schools Network, which will help increase opportunities for students while strengthening the great programs already in place throughout the district. Garland ISD was also chosen as one of six districts for The Holdsworth Center Partnership, a five-year journey that will help the district grow stronger, inspiring leaders to help teachers thrive and students succeed. This programming and support is covered at no cost to the district, but through the generosity of Holdsworth founder and H-E-B Chairman Charles Butt as well as other philanthropic supporters. Garland ISD Wellness and Nutrition earned its second-consecutive Bronze recognition in the American Heart Association's Workplace Health Achievement Index. They were also named a two-time Best and Brightest in Wellness winner as well as a 2021 Best Wellness Employer Silver Certification for its commitment to employee well-being and healthy culture.

AWARDS AND ACKNOWLEDGEMENTS

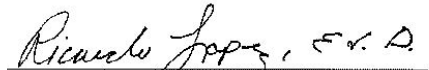
Awards - The Government Finance Officers Associations of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the District published an Annual Comprehensive Financial Report in which contents conformed to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The District has received a Certificate of Achievement for thirty-two consecutive years. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District was awarded a Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) stating that the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020, substantially conformed to the recommended principles and standards of financial reporting adopted by that organization. The District has received the Certificate of Excellence for thirty-three consecutive years. The Certificate of Excellence is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Excellence program requirements and we are submitting it to ASBO to determine its eligibility for another certificate.


Acknowledgments - The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Division of Finance. We would like to express our appreciation to all members of the department who assisted and contributed.

We also wish to thank the Board of Trustees for their continued leadership and support and for planning and conducting the financial operations of the District in a responsible and progressive manner.

Sincerely,



Ricardo López, Ed.D.
Superintendent



Brent Ringo, Ed.D.
Chief Financial Officer



Allison Davenport, CPA
Executive Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Garland Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Garland Independent School District

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

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



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Garland Independent School District
Garland, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due 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 of 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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Garland Independent School District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, required pension information, and required other-post employment benefit 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, required Texas Education Agency (TEA) schedules, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information, such as the introductory and statistical section, are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

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

To the Board of Trustees
Garland Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive style, with "Whitley" and "Penn" being more prominent and "LLP" in smaller, more blocky letters.

Dallas, Texas
November 16, 2021

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Garland Independent School District
 Management's Discussion and Analysis
 Year Ended June 30, 2021

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District's governmental activities exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$294,452,095 (net position). Of this amount \$75,207,277 was restricted for specific purposes (i.e. Federal/State grants, Debt Service and Student Nutrition). Unrestricted net position was (\$125,598,808) due to GASB 75. The remainder represents the net investments in capital assets.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$392,476,900, which breaks down as follows.

Non-Spendable	\$	2,940,448	0.7%
Restricted		99,838,346	25.4%
Committed		10,145,316	2.6%
Assigned		17,313,050	4.4%
Unassigned		262,239,740	66.9%
Total	\$	<u>392,476,900</u>	<u>100.0%</u>

OVERVIEW OF THE FINANCIAL STATEMENTS

Both the discussion and analysis presented are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report contains other supplementary 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 business.

The *statement of net position* presents information on all of the District's assets, liabilities, and deferred outflows and inflows of resources. Net position is equal to assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information for all current year revenues and expenses regardless of when revenue is received or expenses incurred. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods.

Component units are legally separate organizations for which the Board of Trustees of the District is legally accountable. They can also be other organizations for which the nature and significance of their relationship with the District is such that exclusion would cause the District's financial statements to be incomplete. The District has no component units for which it is financially accountable. The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related requirements. The *fund financial statements* provide more detailed information about the District's most significant funds, not the District as a whole. Some funds are required by State law and/or bond covenants. Other funds may be established by the Board to control and manage money for particular purposes or to show it is properly using certain taxes or grants.

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 spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains four governmental funds all of which are considered to be major funds. 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, capital projects fund, and special revenue fund. Per the Texas Education Agency, the District adopts an annual appropriated budget for its general fund, debt service fund, and student nutrition services fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 14-19 of this report.
- **Proprietary funds.** *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The District's five proprietary funds are Internal Service Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its motor pool, print shop, risk management, copier pool and Curtis Culwell Center. The proprietary fund statements offer short and long-term financial information about the activities the District operates like a business. The basic proprietary fund financial statements can be found on pages 20-22 of this report.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate *Statement of Fiduciary Net Position* and *Statement of Changes in Fiduciary Net Position* that can be found on pages 23-24. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the financial statements. The notes provide additional information essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-58 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 59-65 of this report.

Combining statements are prepared in connection with internal service funds and are presented immediately following the required supplementary information on pages 66-75 of this report.

Government-wide Financial Analysis

As previously noted, net position may serve as a useful indicator of a government's financial position. As of June 30, 2021, assets and deferred outflow of resources exceeded liabilities and deferred inflows by \$294,452,095.

The District's Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 477,902,340	\$ 489,661,396
Capital assets	799,948,711	837,735,025
Total assets	<u>1,277,851,051</u>	<u>1,327,396,421</u>
Total deferred outflows	93,417,688	120,617,415
Noncurrent liabilities	838,808,269	950,198,242
Other liabilities	76,686,724	78,668,996
Total liabilities	<u>915,494,993</u>	<u>1,028,867,238</u>
Total deferred inflows	161,321,651	118,027,437
Net investment in		
capital assets	344,843,626	352,783,669
Restricted	75,207,277	73,878,610
Unrestricted	(125,598,808)	(125,543,118)
Total net position	<u>\$ 294,452,095</u>	<u>\$ 301,119,161</u>

Net Position. As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's combined net position between fiscal years 2021 and 2020 decreased by \$6.7 million. This is due to a prior period adjustment in construction in progress, offset by a small increase in net position prior to the adjustment. The District's net investment in capital assets is \$344.8 million and includes investments in capital assets (e.g. land, building, equipment, improvements, and construction in progress) less any debt used to acquire those assets that is still outstanding. Of the remaining net position, \$75.2 million are restricted resources subject to external restrictions on how they are used, and (\$125.6) million are unrestricted resources.

The District uses the capital assets to provide services to students; consequently, these assets are not available for future spending. 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.

The above table provides a summary of the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position for governmental activities for years ended June 30, 2021 and 2020, respectively.

Changes in the District's Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues		
Charges for services	\$ 2,077,524	\$ 9,028,933
Operating grants and contributions	135,181,539	121,875,947
General revenues		
Property taxes	283,356,287	286,016,573
State grants	262,806,481	264,547,309
Other	4,879,850	10,060,020
Total revenues	<u>688,301,681</u>	<u>691,528,782</u>
Expenses		
Instructional and instructional related services	400,251,036	387,929,591
Instructional and school leadership	46,350,701	46,656,303
Support services - student	98,467,966	102,931,465
Administrative support services	17,617,058	17,326,424
Support services – non-student	95,758,507	71,754,641
Community services	3,442,178	3,552,435
Debt service	18,387,683	21,612,706
Facilities repairs and maintenance	16,257	166,576
Payments to fiscal agent of shared services arrangement	179,365	134,796
Payments to JJAEP	7,446	28,764
Intergovernmental charges	963,769	928,362
Total expenses	<u>681,441,966</u>	<u>653,022,063</u>
Excess of revenues over expenses	6,859,715	38,506,719
Special item - gain on disposal of assets	<u>283,574</u>	<u>794,471</u>
Increase/(Decreases) in net position	7,143,289	39,301,190
Beginning net position	301,119,161	261,817,971
Prior Period Adjustment	(13,810,355)	
Ending net position	<u>\$ 294,452,095</u>	<u>\$ 301,119,161</u>

Governmental activities. Governmental activities increased the District's net position by \$7,143,289, which was offset by a prior period adjustment of \$13,810,355 for a net decrease to net position of \$6,667,066. The total cost of all *governmental activities* this year was \$681,441,966. The amount our taxpayers paid for these activities through property taxes was \$283,356,287 or 42%.

Financial Analysis of the District's Funds

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$392,476,900 a decrease of \$10,721,901 from last year.

Non-Spendable - Inventories	\$ 2,940,448	0.7%
Restricted - Grant Funds	4,095,812	1.0%
Restricted - Capital Acquisitions and Contractual Obligations	18,841,281	4.8%
Restricted - Retirement of Long-term Debt	76,901,253	19.6%
Committed - Self-Insurance	7,000,000	1.8%
Committed - Local Special Revenue Funds	3,145,316	0.8%
Assigned - Construction and Capital Expenditures	16,725,738	4.3%
Assigned - Other	587,312	0.1%
Unassigned	262,239,740	66.9%
	<u>\$ 392,476,900</u>	<u>100.0%</u>

The general fund is the primary operating fund of the District. At the end of the current fiscal year, the general fund's unassigned fund balance was \$262,239,740. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total general fund expenditures. Unassigned fund balance represents 51.7% of the total general fund expenditures, while total fund balance represents 53.4% of that same amount.

The general fund's fund balance increased \$3,459,145 during the current fiscal year. Although, this is the smallest addition to fund balance over the past decade, the district was able to add to fund balance due to the TEA hold harmless for the entire 2020-21 school year in addition to reduced expenditures in payroll due to vacancies.

The debt service fund has a total fund balance of \$76,901,253 all of which is restricted for the payment of debt service. The increase in debt services fund balance was \$5,384,057. This increase was due to restructured debt that resulted in less expenditures.

The capital projects fund decreased its fund balance by \$10,288,512. This decrease is due to the planned construction and renovation expenditures of school facilities associated with the November 2014 bond authorization. There were unspent funds at the end of the fiscal year that will be spent in the following fiscal year. The District is in the final phase of the 2014 bond program.

The special revenue fund decreased its fund balance by \$9,276,591. This decrease is primarily due to decrease revenue in Student Nutrition Services with fewer students being served meals and the district being in the second year of the textbook adoption with the state allotment recognized in the prior fiscal year.

Proprietary funds. As previously noted, the District's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

Net position of the District's internal service funds at June 30, 2021, amounted to \$7,751,483, a decrease of \$143,174. This is due in part to a decrease in net position of \$309,343 in the Curtis Culwell Center. This is attributed to a decrease in the number of events hosted this year due to the pandemic. It was offset by an increase to the Risk Management fund of \$223,198.

Budgetary Highlights

In June 2020 the Board of Trustees adopted the 2020-21 budget, which supports the District's strategic goals. The budgeting process involves careful planning to properly align revenues and appropriations. A conservative budget approach is utilized when estimating revenues. Expenditures, on the other hand, are allocated to be fully expended. This methodology, in essence, creates a 'worst case budget scenario' and ensures that expenditures by function are not exceeded. The expected result each year is that revenues will exceed estimated amounts and expenditures will be less than budgeted.

During the course of the year, the District monitors revenues and expenditures and submits monthly amendments to the Board for approval to be more in line with expected final results. Over the course of the year, the District recommended and the Board approved, several revisions to budgeted revenue and appropriations. These amendments fall into the following categories:

- Amendments approved shortly after the beginning of the new fiscal year for amounts reserved and designated in the prior year
- Amendments approved shortly after the beginning of the new fiscal year to align the payroll budget with job assignment changes
- Amendments in summer to revise estimates for local and state revenue based on the latest information on student attendance numbers and tax collections
- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations
- Amendments during the year for changes in programs

Significant differences between the original and final amended budget can be briefly summarized as follows:

GENERAL FUND

Revenues

- \$12,600,000 decrease in local revenue sources to account for loss in revenue due to the outcome of the VATRE.
- \$3,580,000 decrease in local revenue sources to account for the reduction in projected interest income.
- \$29,198,000 decrease in state program revenue sources due loss in revenue due to the outcome of the VATRE.
- No change in federal program revenues.

Expenditures by function are amended monthly to fulfill requests from campuses and central organizations to appropriately code expenses as required by the state accountability system.

Additionally, the District made and the Board approved the transfers in and out:

- \$2,301,149 transfer out to capital projects for projects related to the winter storm clean up, P-TECH program at Rowlett High School and access doors at transportation.
- \$3,513,800 transfer out to fund bus purchases.

After appropriations were amended as described above, actual revenues were \$1,699,963 greater than final budgeted amounts due to more revenue in local, state and federal programs than final budgeted estimates. Actual expenditures were \$34,078,520 less than final budget amounts due to savings primarily from operational changes due to COVID-19 and savings from vacant positions. Year-end revenues were greater than expenditures, thus adding to existing fund balance.

NATIONAL BREAKFAST AND LUNCH PROGRAM

Revenues

- \$6,431,000 decrease in local revenue sources due to lower participation due to virtual school learning.
- \$6,685,404 decrease in federal revenue sources due to lower participation due to virtual school learning.

Expenditures

- \$7,358,435 decrease in food services expenditures due to lower participation due to virtual school learning.

Actual revenues were \$6,697,080 greater than final budgeted amounts due to more revenue in federal sources than final budgeted estimates. Actual expenditures were \$2,433,989 less than final budget amounts due to the year-end payroll accrual being less than estimated. Year-end expenditures were greater than revenue, thus decreasing existing fund balance.

Capital Asset and Debt Administration

Capital assets. The District’s investment in capital assets (net of accumulated depreciation) for governmental activities was \$799,948,711 and \$823,924,670 as of June 30, 2021 and 2020, respectively. This investment in capital assets includes land, buildings and improvements, and furniture and equipment.

District’s Capital Assets (net of depreciation)

	<u>2021</u>	<u>2020 restated</u>
Governmental Activities		
Land	\$ 35,835,595	\$ 35,835,595
Land improvements, net	22,642,382	24,490,611
Buildings and improvements, net	669,939,332	548,820,869
Furniture and equipment, net	30,710,037	22,381,175
Construction in progress	40,821,365	192,396,420
Total at historical cost	<u>\$ 799,948,711</u>	<u>\$ 823,924,670</u>

The decrease in governmental capital assets is due primarily to an decrease in construction in progress due to completed projects from the November 2014 bond authorization. Additional information on the District’s capital assets can be found in Note 4 to the financial statements.

Long-term debt. At June 30, 2021, the District had total bonded debt outstanding of \$459,545,000, a decrease of \$48,095,000 from the prior year. This decrease is due to no new issuances of building bonds for the 2021 year.

The “AAA” long-term rating on the District’s Texas bonds reflects the Texas Permanent School Fund guarantee. The District maintains underlying ratings of Aaa from Moody’s Investors Service and AA+ from Fitch Ratings. Additional information on the District’s long-term debt can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Garland stands at 4.4%. Dallas County has a 4.8% unemployment rate as compared to a statewide rate of 5.3% and a national average of 5.3%.
- Inflationary trends in the region tend to be similar to the national consumer price index (CPI). The region's CPI increased 5.9% while the nation experienced a 5.4% increase.
- The District's student attendance rate has historically been approximately 96%.
- The District has appropriated revenues of \$513,571,816 and expenditures of \$543,001,064 in the 2021-22 budget of the General Fund.
- The Debt Service Fund has budgeted revenues of \$71,206,782 and expenditures of \$63,824,389 in the 2021-22 budget.
- The Student Nutrition Services Fund revenue and expenditure budgets for 2020-21 are \$34,012,122 and \$33,802,809, respectively.
- The 2021-22 budget is based on a total property tax rate of \$1.2563 per hundred dollars of assessed value. The property tax rate for maintenance and operations is \$0.9384 per hundred dollars of assessed value. The debt service tax rate is \$0.3179 per hundred dollars of assessed value. The District's taxable value for 2021-22 increased 12.11% due to an increase in commercial and residential property values.
- As of September 2, 2021, the Texas Education Agency (TEA) informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

LEAs have reported to the TEA that attendance rate declines continue to occur due to COVID-19. As a result, the TEA is exploring options to ensure school systems will not experience significant financial difficulties. Additionally, LEAs had varying daily rates of attendance during the 2020-2021 school year due to the impact of virtual learning options. Once the TEA receives this local information in a PEIMS upload this fall, it will be equipped to analyze, understand, and determine potential changes to the rules around waivers, particularly low attendance waivers. As of the date of this report, the District has not determined the impact.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of Finance, Garland ISD, P.O. Box 469026, Garland, Texas, 75046-9026.

Basic Financial Statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit A-1

Data <u>Codes</u>	<u>Governmental Activities</u>
ASSETS	
1110 Cash and Cash Equivalents	\$ 392,797,181
1220 Property Taxes - Receivable - Delinquent	7,803,715
1230 Allowance for Uncollectible Taxes (Credit)	(527,470)
1240 Due From Other Governments	74,601,195
1290 Other Receivables, net	287,271
1300 Inventories	2,940,448
Capital Assets:	
1510 Land	35,835,595
1510 Land Improvements, net	22,642,382
1520 Buildings and Building Improvements, net	669,939,332
1530 Furniture and Equipment, net	30,710,037
1580 Construction in Progress	40,821,365
1000 Total Assets	<u>1,277,851,051</u>
DEFERRED OUTFLOWS OF RESOURCES	
1700 Deferred Charge on Refunding	4,210,317
1705 Deferred Outflow of Resources for Pension Activities	61,373,126
1706 Deferred Outflow of Resources for OPEB	27,834,245
Total Deferred Outflows of Resources	<u>93,417,688</u>
LIABILITIES	
2110 Accounts Payable	12,044,643
2140 Interest Payable	7,710,788
2150 Payroll Deductions and Withholdings	2,528,611
2160 Accrued Wages Payable	52,986,395
2200 Accrued Expenses	137,223
2300 Unearned Revenues	1,279,064
Noncurrent Liabilities:	
2501 Due Within One Year	44,552,578
2502 Due in More Than One Year	466,427,698
2531 Long-Term Capital Leases Payable	66,805
2540 Net Pension Liability	162,986,411
2545 Net OPEB Liability	156,820,871
2532 Vested Vacation Benefits Payable	979,192
2533 Loan Payable - Long Term	5,637,678
2591 Long-Term Claims Liability	1,337,036
2000 Total Liabilities	<u>915,494,993</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow of Resources for Pension Activities	35,100,148
2606 Deferred Inflow of Resources for OPEB	126,221,503
	<u>161,321,651</u>
NET POSITION	
3200 Net Investment in Capital Assets	344,843,626
3850 Restricted for Debt Service	71,019,364
3820 Restricted for Grant Funds	326,321
3820 Restricted for Student Nutrition Services	3,861,592
3900 Unrestricted Net Position	(125,598,808)
3000 Total Net Position	<u>\$ 294,452,095</u>

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit B-1

Data Control Codes	1	Program Revenues		6	
		3	4		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Primary Government:					
Governmental Activities:					
11	Instruction	\$ 369,188,755	\$ 97,175	\$ 65,710,835	\$ (303,380,745)
12	Instructional Resources And Media Services	9,072,406		830,543	(8,241,863)
13	Curriculum And Staff Development	21,989,875		9,347,298	(12,642,577)
21	Instructional Leadership	10,519,666		2,796,769	(7,722,897)
23	School Leadership	35,831,035		3,811,812	(32,019,223)
31	Guidance, Counseling, And Evaluation Services	27,513,261		3,601,260	(23,912,001)
32	Social Work Services	1,019,642		539,830	(479,812)
33	Health Services	8,993,248		1,228,892	(7,764,356)
34	Student Transportation	20,286,452		7,221,241	(13,065,211)
35	Food Service	27,247,110	774,760	22,584,210	(3,888,140)
36	Extracurricular Activities	13,408,253	1,037,409	717,020	(11,653,824)
41	General Administration	17,617,058		1,310,288	(16,306,770)
51	Facilities Maintenance And Operations	60,144,444	168,180	4,891,022	(55,085,242)
52	Security And Monitoring Services	7,933,703		998,775	(6,934,928)
53	Data Processing Services	27,680,360		6,801,353	(20,879,007)
61	Community Services	3,442,178		961,128	(2,481,050)
72	Interest On Long-Term Debt	18,387,683		1,638,256	(16,749,427)
81	Facilities Planning	16,257			(16,257)
93	Payments To Fiscal Agent Of Shared Services Arrangement	179,365		191,007	11,642
95	Payments To Juvenile Justice Alternative Education Programs	7,446			(7,446)
99	Intergovernmental Charges	963,769			(963,769)
TP	TP Total Primary Government	<u>681,441,966</u>	<u>2,077,524</u>	<u>135,181,539</u>	<u>(544,182,903)</u>

Data
Control
Codes

General Revenues:			
Taxes:			
MT	Property Taxes, Levied For General Purposes		214,437,931
DT	Property Taxes, Levied For Debt Service		68,918,356
SF	State Aid-Formula Grants (Unrestricted)		262,806,481
GC	Grants And Contributions Not Restricted To Specific Programs		3,713,285
IE	Investment Earnings		368,376
MI	Miscellaneous		798,189
Special Items:			
SI	Special Items - Gain on Disposal of Assets		283,574
TR	Total General Revenues		<u>551,326,192</u>
CN	Change in Net Position		7,143,289
NB	Net Position—Beginning		301,119,161
	Prior Period Adjustment (Note 17)		(13,810,355)
NE	Net Position—Ending		<u>\$ 294,452,095</u>

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control <u>Codes</u>	10 General Fund	50 Debt Service Fund
	<u> </u>	<u> </u>
ASSETS		
1110 Cash and Cash Equivalents	\$ 341,924,107	\$ -
1220 Property Taxes Receivable - Delinquent	5,658,095	2,145,620
1230 Allowance for Uncollectible Taxes (Credit)	(447,494)	(79,976)
1240 Due From Other Governments	58,410,955	
1260 Due From Other Funds	3,616,340	76,663,490
1290 Other Receivables	133,549	
1300 Inventories	1,117,564	
1000 Total Assets	<u>410,413,116</u>	<u>78,729,134</u>
LIABILITIES		
2110 Accounts Payable	5,882,513	
2150 Payroll Deductions and Withholdings	2,528,611	
2160 Accrued Wages Payable	49,894,666	
2170 Due to Other Funds	76,663,490	
2200 Accrued Expenditures	7,012	
2300 Unearned Revenues	17,494	
2000 Total Liabilities	<u>134,993,786</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
2600 Unavailable Revenue - Property Taxes	4,474,714	1,827,881
Total Deferred Inflows of Resources	<u>4,474,714</u>	<u>1,827,881</u>
FUND BALANCES		
3410 Non-Spendable - Inventories	1,117,564	
3450 Restricted - Grant Funds		
3470 Restricted - Capital Acquisitions and Contractual Obligations		
3480 Restricted - Retirement of Long-term Debt		76,901,253
3540 Committed - Self-Insurance	7,000,000	
3545 Committed - Local Special Revenue Funds		
3550 Assigned - Construction and Capital Expenditures		
3590 Assigned - Other	587,312	
3600 Unassigned	262,239,740	
3000 Total Fund Balances	<u>270,944,616</u>	<u>76,901,253</u>
4000 Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 410,413,116</u>	<u>\$ 78,729,134</u>

The accompanying notes are an integral part of the basic financial statements

60 Capital Projects	Special Revenue Fund	Total Governmental Funds
\$ 40,264,484	\$ -	\$ 382,188,591
		7,803,715
		(527,470)
	16,190,240	74,601,195
		80,279,830
		133,549
	1,822,884	2,940,448
<u>40,264,484</u>	<u>18,013,124</u>	<u>547,419,858</u>
4,697,465	1,282,923	11,862,901
		2,528,611
	3,155,853	53,050,519
	3,616,340	80,279,830
	130,211	137,223
	763,785	781,279
<u>4,697,465</u>	<u>8,949,112</u>	<u>148,640,363</u>
		6,302,595
<u>-</u>	<u>-</u>	<u>6,302,595</u>
	1,822,884	2,940,448
	4,095,812	4,095,812
18,841,281		18,841,281
		76,901,253
		7,000,000
	3,145,316	3,145,316
16,725,738		16,725,738
		587,312
		262,239,740
<u>35,567,019</u>	<u>9,064,012</u>	<u>392,476,900</u>
<u>\$ 40,264,484</u>	<u>\$ 18,013,124</u>	<u>\$ 547,419,858</u>

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GARLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit C1-R

Total Fund Balances - Governmental Funds	\$	392,476,900
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		7,751,483
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The capital assets related to internal service funds (\$7,488,516) are included in the net effect of consolidation above.		1,332,787,478
Accumulated depreciation has not been included in the fund financial statements. The accumulated depreciation related to internal service funds (\$6,598,585) is included in the net effect of consolidation above.		(533,728,698)
Bonds payable and related premiums have not been included in the fund financial statements		(508,692,699)
Note payable for SECO loan that has not been included as liability in the fund financial statements		(6,044,757)
Accrued liabilities for compensated absences due in more than one year have not been reflected in the fund financial statements.		(979,192)
Revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.		6,302,595
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(7,709,770)
Loss on bond refunding has not been included in the fund financial statements.		4,210,317
Net pension liability has not been included in the fund financial statements		(162,986,411)
Net OPEB liability has not been included in the fund financial statements		(156,820,871)
Deferred outflows of resources relating to pension activities have not been included in the fund financial statements		61,373,126
Deferred outflows of resources relating to OPEB activities have not been included in the fund financial statements		27,834,245
Deferred inflows of resources relating to pension activities have not been included in the fund financial statements		(35,100,148)
Deferred inflows of resources relating to OPEB activities have not been included in the fund financial statements		(126,221,503)
Net Position of Governmental Activities	\$	<u>294,452,095</u>

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES:		
5700 Total local and intermediate sources	\$ 215,529,648	\$ 68,863,750
5800 State program revenues	289,857,090	1,165,587
5900 Federal program revenues	10,758,157	472,669
5020 Total Revenues	<u>516,144,895</u>	<u>70,502,006</u>
EXPENDITURES:		
Current:		
0011 Instruction	301,219,372	
0012 Instructional Resources and Media Services	8,033,656	
0013 Curriculum and Instructional Staff Development	13,379,382	
0021 Instructional Leadership	7,891,099	
0023 School Leadership	32,697,206	
0031 Guidance, Counseling, and Evaluation Services	25,019,032	
0032 Social Work Services	501,542	
0033 Health Services	8,077,642	
0034 Student (Pupil) Transportation	16,688,745	
0035 Food Services	16,967	
0036 Cocurricular/Extracurricular Activities	10,196,828	
0041 General Administration	16,412,571	
0051 Facilities Maintenance and Operations	43,138,989	
0052 Security and Monitoring Services	6,739,253	
0053 Data Processing Services	13,760,614	
0061 Community Services	1,664,451	
Debt Service:		
0071 Debt Service-Principal on Long-Term Debt	482,517	43,075,000
0072 Debt Service-Interest on Long-Term Debt		22,423,626
Capital Outlay:		
0081 Facilities Acquisition and Construction	67,393	
Intergovernmental:		
0093 Payments Related to Shared Services Arrangements		
0095 Payments to Juvenile Justice Alternative Ed Program	7,446	
0099 Other Intergovernmental Charges	963,769	
6030 Total Expenditures	<u>506,958,474</u>	<u>65,498,626</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	9,186,421	5,003,380
OTHER FINANCING SOURCES (USES):		
7901 Issuance of Refunding Bonds		47,830,000
7912 Sale of Real and Personal Property	87,673	
7915 Transfers In		
7916 Premium on Issuance of Bonds		6,685,636
8911 Transfers Out	(5,814,949)	
8949 Other Uses		(54,134,959)
7080 Total Other Financing Sources (Uses)	<u>(5,727,276)</u>	<u>380,677</u>
1200 Net Change in Fund Balances	3,459,145	5,384,057
0100 Fund Balance - July 1 (Beginning)	267,485,471	71,517,196
3000 Fund Balance - June 30 (Ending)	<u>\$ 270,944,616</u>	<u>\$ 76,901,253</u>

The accompanying notes are an integral part of the basic financial statements

60 Capital Projects	Special Revenue Fund	Total Governmental Funds
\$ 28,822	\$ 2,141,121	\$ 286,563,341
	1,545,814	292,568,491
<u>61,508</u>	<u>64,025,918</u>	<u>75,318,252</u>
<u>90,330</u>	<u>67,712,853</u>	<u>654,450,084</u>
16,361	31,321,360	332,557,093
	67,626	8,101,282
	6,527,150	19,906,532
	1,515,689	9,406,788
	238,325	32,935,531
	566,376	25,585,408
	389,053	890,595
	275,963	8,353,605
3,900,519	250	20,589,514
	24,501,244	24,518,211
261,645	504,684	10,963,157
69,029	195	16,481,795
1,473,436	3,746,619	48,359,044
163,744	848,438	7,751,435
1,539,093	5,647,064	20,946,771
	660,043	2,324,494
		43,557,517
		22,423,626
8,976,605		9,043,998
	179,365	179,365
		7,446
		<u>963,769</u>
<u>16,400,432</u>	<u>76,989,444</u>	<u>665,846,976</u>
(16,310,102)	(9,276,591)	(11,396,892)
		47,830,000
206,641		294,314
5,814,949		5,814,949
		6,685,636
		(5,814,949)
		<u>(54,134,959)</u>
<u>6,021,590</u>	<u>-</u>	<u>674,991</u>
(10,288,512)	(9,276,591)	(10,721,901)
45,855,531	18,340,603	403,198,801
<u>\$ 35,567,019</u>	<u>\$ 9,064,012</u>	<u>\$ 392,476,900</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit C-3

Total Net Change in Fund Balance - Governmental Funds	\$ (10,721,901)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	(143,174)
Current year capital outlays are expenditures in the fund financial statements but should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2021 capital outlays is to increase net position by total governmental activities additions (\$15,515,452) less internal service fund additions (\$144,529).	15,402,273
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. The depreciation related to internal service funds (\$753,722) is included in the net effect of consolidation above.	(38,758,297)
In the statement of activities, only the loss on the asset disposals are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balances by the cost of the assets disposed.	(10,741)
Current year long-term debt principal payments are in the fund financial statements but shown as reductions in long-term debt in the government-wide financial statements.	95,925,000
Current year SECO payment is in the fund financial statements but shown as reductions in long-term debt in the government-wide financial statements.	421,600
Amortization of the premium of current interest bonds is only reported in the government-wide financial statements.	7,727,466
Interest is accrued on outstanding debt in the government-wide financial statements whereas in the fund financial statements, an interest expenditure is reported when due.	837,958
Revenue from property taxes is unavailable in the fund financial statements until it is considered available to finance current expenditures. Such revenue is recognized in the government-wide financial statements when assessed, net of allowance for uncollectible accounts.	332,240
Amortization of loss on refunding of debt is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's amortization is to decrease net position.	(3,165,703)
Proceeds from debt issuance are recorded as other financing sources in the fund financial statements, but are recorded as debt in the government-wide financial statements.	(47,830,000)
Premium on bonds is considered revenue in the fund financial statements but such revenue is recorded as part of debt in the government-wide financial statements.	(6,685,636)
Changes in the long-term vested sick leave liability is not shown in the fund financial statements. The net effect of the current year's increase is an increase net position.	50,474
Amortization and other changes in deferred outflows related to the District's portion of the TRS net pension liability are reported in the government-wide financial statements	(21,168,542)
Amortization and other changes in deferred outflows related to the District's portion of the TRS net OPEB liability are reported in the government-wide financial statements	(4,594,824)
Amortization and other changes in deferred inflows related to the District's portion of the TRS net pension liability are reported in the government-wide financial statements	(4,210,566)
Amortization and other changes in deferred inflows related to the District's portion of the TRS net OPEB liability are reported in the government-wide financial statements	(37,354,306)
Changes in the net pension liability are not shown in the fund financial statements. The net effect of the current year's increase is to decrease net position.	13,517,406
Changes in the net OPEB liability are not shown in the fund financial statements. The net effect of the current year's increase is to decrease net position.	47,572,562
Change in Net Position of Governmental Activities	\$ 7,143,289

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2021

Exhibit D-1

	<u>Governmental Activities</u>	<u>Internal Service Funds</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	10,608,590
Other Receivables		153,723
Total Current Assets		10,762,313
Noncurrent Assets:		
Capital Assets:		
Land Improvements		251,316
Building and Building Improvements		302,490
Furniture and Equipment		6,934,710
Accumulated Depreciation-Other Land Improvements		(129,291)
Accumulated Depreciation-Building and Building Improvements		(161,516)
Accumulated Depreciation-Furniture and Equipment		(6,307,778)
Total Noncurrent Assets		889,931
Total Assets		11,652,244
LIABILITIES		
Current Liabilities:		
Accounts Payable		181,742
Leases Payable		411,633
Interest Payable		1,017
Accrued Wages Payable		19,733
Claims Liability		1,385,009
Unearned Revenues		497,785
Total Current Liabilities		2,496,919
Noncurrent liabilities:		
Capital Lease Payable Long-Term		66,806
Claims Liability Long-Term		1,337,036
Total Noncurrent liabilities		1,403,842
Total Liabilities		3,900,761
NET POSITION		
Net Investment in Capital Assets		411,492
Unrestricted Net Position		7,339,991
Total Net Position	\$	7,751,483

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit D-2

		Governmental <u>Activities</u>
		<u>Internal Service Funds</u>
OPERATING REVENUES:		
Local and Intermediate Sources	\$	5,563,676
Total Operating Revenues		<u>5,563,676</u>
OPERATING EXPENSES:		
Payroll Costs		1,814,064
Professional and Contracted Services		1,732,003
Supplies and Materials		455,838
Other Operating Costs		933,320
Depreciation		753,723
Total Operating Expenses		<u>5,688,948</u>
Operating Income (Loss)		<u>(125,272)</u>
NONOPERATING REVENUES (EXPENSES):		
Interest on Capital Lease		<u>(17,902)</u>
Total Nonoperating Revenues (Expenses)		<u>(17,902)</u>
Change in Net Position		(143,174)
Total Net Position - July 1 (Beginning)		<u>7,894,657</u>
Total Net Position - June 30 (Ending)	\$	<u><u>7,751,483</u></u>

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit D-3

		Governmental <u>Activities</u>
		Internal Service Funds
		<hr/>
Cash Flows from Operating Activities:		
Cash Received from User Charges	\$	2,357,965
Cash Received from Assessments - Other Funds		3,244,558
Cash Payments to Employees for Services		(1,814,053)
Cash Payments for Insurance Claims		(148,925)
Cash Payments to Suppliers		(416,539)
Cash Payments for Other Operating Expenses		(933,320)
Cash Payments for Prof. and Contracted Services		(2,523,053)
Net Cash Provided by (Used for) Operating Activities		<hr/> <u>(233,367)</u>
Cash Flows from Capital Financing Activities:		
Acquisition of Capital Assets		(144,529)
Capital Lease Payments		(505,680)
Capital Lease Interest Expense		(17,902)
Net Cash Provided by (Used for) Capital Financing Activities		<hr/> <u>(668,111)</u>
Net Decrease in Cash and Cash Equivalents		(901,478)
Cash and Cash Equivalents at Beginning of the Year		11,510,068
Cash and Cash Equivalents at the End of the Year		<hr/> <u><u>10,608,590</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)		(125,272)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation		753,723
Assets and Liabilities:		
Decrease in Other Receivables		(54,993)
Decrease in Accounts Payable		(749,689)
Decrease in Accrued Wages Payable		11
Increase in Unearned Revenue		91,778
Decrease in Claims Liability		(148,925)
Net Cash Provided by (Used for) Operating Activities	\$	<hr/> <u><u>(233,367)</u></u>

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

Exhibit E-1

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 554,135
Total Assets	<u>554,135</u>
LIABILITIES	
Accounts Payable	<u>30,069</u>
Total Liabilities	<u>30,069</u>
NET POSITION	
Restricted for student scholarships and other activities	<u>524,066</u>
Total Net Position	<u>\$ 524,066</u>

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit E-2

	Custodial Funds
ADDITIONS	
Activity fund revenues	\$ 372,387
Total Additions	372,387
 DEDUCTIONS	
Activity fund expenses	453,955
Total Deductions	453,955
CHANGE IN NET POSITION	(81,568)
Net position - beginning of year	-
Prior period adjustment	605,634
Net position - beginning, as restated	605,634
Net position - end of year	\$ 524,066

The accompanying notes are an integral part of the basic financial statements

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Garland Independent School District (the “District”) conform to generally accepted accounting principles (“GAAP”) promulgated by the Governmental Accounting Standards Board (“GASB”) and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants, the rules prescribed by the Texas Education Agency (“TEA”) Financial Accountability System Resource Guide (the “Resource Guide”), and the requirements of contracts and grants of agencies from which it receives funds.

The following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the government for financial reporting purposes, the District’s management has considered all potential component units. By applying the criteria set forth in generally accepted accounting principles (“GAAP”), the District has determined that no other organizations require inclusion in its reporting entity.

Governmental Fund Financial Statements

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications not only reflect the nature of funds but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items, and long-term receivables.

Restricted – includes fund balance amounts constrained for specific purposes externally imposed by providers (such as creditors) or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs, and other federal and state grants.

Committed – includes fund balance amounts constrained for specific purposes internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to a resolution passed by the District’s Board of Trustees. This classification includes campus activity funds and local special revenue funds. In addition, the District committed \$7 million for self-insurance for underground fuel storage tanks and Metropolitan Area Network/Wide Area Network (MAN/WAN) within the City of Garland. See Note 10 for additional information on the self-insurance.

Assigned – includes fund balance amounts self-imposed by the District to be used for a particular purpose. Per Board of Trustee Policy CE (Local), fund balance can be assigned by the District’s Board, the Superintendent, or the Chief Financial Officer. The District has assigned funds for local construction and capital expenditures.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies – continued

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. When both restricted and unrestricted fund balances are available for use, it is the District’s policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District’s non-fiduciary activities with most of the interfund activities removed except for interfund services provided and used. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants, and other intergovernmental revenues. *Business-type activities*, which are reported separately, rely significantly on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. All capital asset depreciation is reported as a direct expense of the functional program that benefits from the use of the capital assets. Program revenues include: 1) charges for services and tuition charged by a given function and 2) grants and contributions that are restricted to meeting operational requirements of a particular function. Taxes, state aid, grants and contributions not restricted to specific programs are properly excluded from program revenues and reported instead as general revenues.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies – continued

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

Proprietary funds distinguish operating revenues from non-operating revenues. 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 funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

For Fiduciary Fund types, the District only has Custodial Funds. Financial statements of fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

Fund Accounting

The District reports the following major governmental funds:

The General Fund accounts for financial resources related to the general operations of the District, including financial resources not required to be accounted for in some other fund.

The Debt Service Fund is utilized to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs arising from general obligation bonds.

The Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction and acquisition of capital facilities.

The Special Revenue Fund is used to account, on a project basis, for funds granted from the Federal Government and the State of Texas, required by the State to be reported as a special revenue fund, and granted from local sources (including revenues raised by campuses and grants from local not-for-profits).

Proprietary Funds

Internal Service Funds are used to account for services provided by one department to other departments of the District on a cost-reimbursement basis. For the District, these funds are used to provide workers' compensation insurance, reproduction, print services, motor pool, and Curtis Culwell Center services.

Accrued liabilities include provisions for claims reported and claims incurred but not reported for workers' compensation insurance. The provision for reported claims is determined by estimating the amount that will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on the District's experience since the inception of the programs.

Fiduciary Funds

Custodial Funds account for monies held for activities of student and employee groups, neither of which are held in trust, to which the District provides accounting services. This accounting reflects the District's fiduciary relationship with the organizations. Fiduciary funds use the accrual basis of accounting to recognize assets and liabilities.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies – continued

Official Budget

The District is required by state law to submit annual budgets for the General Fund, Debt Service Fund, and Student Nutrition Services (included within the Special Revenue Fund) to the Board of Trustees for adoption. The remaining Special Revenue Funds and Capital Projects Fund utilize project-length budgets, established by management. These budgets do not correspond to the District's fiscal year and are not adopted by the Board of Trustees. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

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

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the subsequent fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Trustees 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 of Trustees.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is prepared and controlled by management at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board of Trustees. All budget appropriations lapse at year-end.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, investments are considered to be cash equivalents if they are highly liquid with maturity within three months or less.

Investments

Investments consist of balances in privately managed public funds investment pools and investments in United States (U.S.) securities and U.S. Agency securities. The District reports all investments at fair value, except for investment pools. The District's investment pools are valued and reported at amortized cost, which approximates fair value.

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

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when due or past due and receivable within the current period.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies – continued

Property Taxes (continued)

The tax rates assessed for the fiscal year ended June 30, 2021 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.9513 and \$0.3050 per \$100 valuation, respectively, for a total of \$1.2563 per \$100 valuation.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. At June 30, 2021, taxes receivable net of estimated uncollectible taxes, aggregated \$5,210,601 and \$2,065,644 for the General Fund and Debt Service Fund, respectively.

Inventories and Prepaid Items

Supplies and materials are recorded as expenditures when requisitioned. Inventories of supplies on the balance sheet are recorded at cost using the average cost method. Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture and are recorded as inventory when received. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity while food commodities are used only in the Student Nutrition Services Fund. In the governmental funds, inventories are reported as non-spendable fund balance.

Prepaid items are reported using the purchase method instead of the consumption method. Beginning with fiscal year 2017, the District began using the purchase method where payments for prepaid items are fully recognized as expenditures in the year of payment. The District believes the purchase method is preferable and consistent with the governmental fund concept of reporting only expendable financial resources.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes..

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports deferred amounts related to pension and OPEB.

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position.

GARLAND INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies – continued

Pensions (continued)

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.

Other Post-Employment Benefits (OPEB)

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

Interfund Receivables and Payables

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations. Such balances are eliminated within the governmental and business-type activities for the government-wide financial statements. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are capitalized by the District if the cost of the item is more than \$5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets, donated works for art and similar items, and capital assets received in a service concession agreement are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The District did not enter into any service concession agreements.

Land improvements, buildings, and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	20 Years
Buildings and Improvements	10 - 45 Years
Furniture and Equipment	3 - 20 Years

Encumbrances

Encumbrance accounting, which is used in all government fund types, utilizes purchase orders, contracts, and other commitments to reserve the applicable appropriation. Under Texas law, appropriations, including those in the Capital Projects Fund, lapse at June 30 and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent fiscal year’s budget to provide for the liquidation of the prior commitments. The Board has not authorized any unexpended budgeted projects to carry over into the next fiscal year.

Data Control Codes

These codes refer to the account code structure prescribed by the TEA in the Resource Guide.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies – continued

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The amount of State foundation revenue a school district earns for a year can and does vary until the time at which final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is possible that the foundation revenue estimate as of June 30, 2021 will change.

Implementation of New Standards

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The District evaluated the effects of this standard and has restated its beginning fiduciary fund net position accordingly.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The District implemented this statement in fiscal year 2021.

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

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

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

Fiscal Year Change

The District's Board of Trustees, in accordance with Texas Education Code, Section 44.0011, approved changing its fiscal year end from August 31 to June 30 effective with start of new fiscal year July 1, 2019. The year a school changes its fiscal year-end to June 30 is a shorter fiscal cycle of ten months (9/1-6/30).

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 2. Cash and Investments

The District's funds are required to be deposited under the terms of a depository contract pursuant to the School Depository Act. The district has a letter of credit with the Federal Home Loan Bank of Cincinnati as a base line for the districts' funds. Additionally, for amounts needed in excess of the letter of credit. Amounts are pledged from the Federal Reserve Bank of New York. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At June 30, 2021, the carrying amount of the District's deposits was \$11,263,755 and the bank balance was \$14,020,248. In addition, the District had various petty cash balances held at different locations amounting to \$19,132.

The District's entire bank balance on June 30, 2021 was covered by federal depository insurance or by collateral held by the District's agent in the District's name. During the period, the District's deposits were fully secured with FDIC coverage and pledged collateral.

The District's investment policy contains the following objectives:

- A. Assure the safety of District funds.
- B. Maintain sufficient liquidity to provide adequate and timely working funds.
- C. Match the maturity of investment instruments to the daily cash flow requirements.
- D. Diversify investments as to maturity, instrument, and financial institution, where permitted.

As a means of limiting exposure to fair value losses that could occur from rising interest rates, the District limits the maturities of investments to one year from the time of purchase in all funds except capital projects and debt service.

The District recognizes that investment risks can result from market price changes. Portfolio diversification is employed as a way to control credit risk. Investment officers are expected to display prudence in the selection of securities as a way to minimize risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio.

At June 30, 2021, the District's exposure to interest rate risk, as measured by the segmented time distribution by investment type, is summarized below:

	Rating	Carrying Amount/ Fair Value	Investment Maturities in Months		
			Less than 1	1 to 6	7 to 12
TexPool	AAA	\$ 165,956,183	\$ 165,956,183		
Texas CLASS	AAA	45,625,239	45,625,239		
Lone Star	AAA	45,508,286	45,508,286		
U.S. Treasury Bill	AA+	24,999,900	24,999,900		
Federal Home Loan Discount Note	AA+	24,998,472		24,998,472	
U.S. Treasury Bill	AA+	24,994,375		24,994,375	
U.S. Treasury Bill	AA+	24,993,625		24,993,625	
U.S. Treasury Bill	AA+	18,994,186			18,994,186
U.S. Treasury Bill	AA+	5,998,164			5,998,164
Total Investments		\$ 382,068,429	\$ 282,089,607	\$ 74,986,472	\$ 24,992,350

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 2. Cash and Investments – continued

Investments' fair value measurements are as follows at June 30, 2021:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
U.S. Treasury Bill	\$ 24,999,900		\$ 24,999,900	
Federal Home Loan Discount Note	24,998,472		24,998,472	
U.S. Treasury Bill	24,994,375		24,994,375	
U.S. Treasury Bill	24,993,625		24,993,625	
U.S. Treasury Bill	18,994,186		18,994,186	
U.S. Treasury Bill	5,998,164		5,998,164	
Total Investments	<u>\$ 124,978,722</u>	<u>\$ -</u>	<u>\$ 124,978,722</u>	<u>\$ -</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs-other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The fair value of the U.S. Government Agency securities on June 30, 2020 are based on quoted market prices using matrix pricing technique by the pricing source that values securities based on their relationship to benchmark quoted prices (Level 2 inputs).

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

An 11-member board of pool members oversees Lone Star. The fair value of the District's position in Lone Star is the same as the value of the pool shares. Lone Star is operated in a manner consistent with the SEC's Rule 2A-7 of the investment company Act of 1970.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 2. Cash and Investments – continued

Lone Star’s Government Overnight Fund is authorized for the following investments:

Obligations of the United States Government, its agencies or instrumentalities.

Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States Government, or its agencies and instrumentalities.

Fully collateralized repurchase agreements that meet the following criteria: (1) have a defined termination date; (2) are secured by obligations of the United States or its agencies and instrumentalities; (3) require the securities being purchased by the Government Overnight Fund to be pledged to the Government Overnight Fund, held in the Government Overnight Fund’s name, and deposited at the time the investment is made with the Government Overnight Fund or with a third party selected and approved by the Government Overnight Fund; and (4) are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state. The market value of repurchase agreement collateral is required to initially be 102 percent of the principal amount of such repurchase agreement. Thereafter, the market value of such collateral will be determined (marked-to-market) daily and reset to 102 percent of the principal amount if it falls below 100 percent.

The Government Overnight Fund may lend up to 25 percent of its securities pursuant to a reserve repurchase agreement authorized under the Investment Act. Any funds obtained pursuant to a reserve repurchase agreement must be invested in authorized Government Overnight Fund investments and match the term of any reverse repurchase agreement may not exceed 90 days.

No-load money market mutual funds regulated by the Securities and Exchange Commission (SEC) that invest exclusively in authorized Government Overnight Fund investments, provided the Government Overnight Fund shall not invest its funds in any one money market mutual fund in an amount that exceeds (i) 25 percent of the Government Overnight Fund’s total assets or (ii) 10 percent of the total assets of such money market mutual fund.

Lone Star’s Government Overnight Fund seeks to maintain a dollar-weighted average maturity of 60 days or fewer. As of June 30, 2020, the fund had a weighted average maturity of 29 days.

The Texas Comptroller of Public Accounts oversees TexPool. The fair value of the District’s position in TexPool is the same as the value of the pool shares. TexPool is operated in a manner consistent with the SEC’s Rule 2A-7 of the investment company Act of 1970.

TexPool is authorized for the following investments:

Obligations of the United States Government, its agencies or instrumentalities with a maximum final maturity of 397 days for fixed rate securities and 24 months for variable rate notes.

Fully collateralized repurchase agreements or reverse repurchase agreements (i) with defined termination dates, (ii) secured obligations of the United States, its agencies or its instrumentalities, including mortgage-backed securities, (iii) that require purchased securities to be pledged to the investing entity or a third party, and (iv) that are placed through primary government securities dealers or a financial institution doing business in the State of Texas. The maximum maturity on repurchase agreements may not exceed 90 days unless the repurchase agreements have a put option that allows TexPool to liquidate the position at par with no more than 7-day notice to the counterparty. The maximum maturity on repurchase agreements may not exceed 181 days.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 2. Cash and Investments – continued

No-load money market mutual funds that (i) are registered with and regulated by the Securities and Exchange Commission, (ii) provide a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (iii) maintain a dollar weighted average stated maturity of 90 days or less, (iv) included in its investment objectives the maintenance of a stable net asset value of \$1.00, and (v) are rated or equivalent by at least one nationally recognized statistical rating organization (“NRSRO”).

Securities lending programs that comply various limitations.

The weighted average maturity of TexPool cannot exceed 60 days. As of June 30, 2021, TexPool had a weighted average maturity of 47 days.

Texas CLASS is administered by a board of pool members. The fair value of the District’s position in Texas CLASS is the same as the value of the pool shares. Texas CLASS is operated in a manner consistent with the SEC’s Rule 2A-7 of the investment company Act of 1970.

Texas CLASS is authorized for the following investments:

Obligations, including letters of credit, of the United States or its agencies and instrumentalities with a maximum maturity of 397 days, except that certain permitted variable rate securities may be purchased with final maturities greater than 397 days, as described in Paragraph 12 (d) below.

Direct obligations of the State of Texas or its agencies and instrumentalities.

Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.

Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

Certificates of deposit or share certificates if the certificate is issued by a depository institution that has its main office or a branch office in this state and is:

(1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor the National Credit Union Share Insurance Fund or its successor; (2) secured by obligations that are described by Section 2256.009(a) of Chapter 2256, Texas Government Code as amended, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009{b}, Texas Government Code, as amended; or {3} secured in any other manner and amount provided by law for deposits of the investing entity. In addition, an investment in certificates of deposit is authorized if (1) the funds are invested by an investing entity through (A) a broker that has its main office or a branch office in Texas and is selected from a list adopted by the investing entity, or (B) a depository institution that has its main office or a branch office in Texas and that is selected by the investing entity, (2) the broker or depository institution selected by the investing entity under { 1 } above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity, {3} the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (4) the investing entity appoints the depository institution selected by the investing entity under { 1 } above, an entity described by Section 2257.041 {d} or a clearing broker-dealer registered with the

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 2. Cash and Investments – continued

Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rules 15c3-3 (17 C.F.W. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio of Texas CLASS shall be invested in term repurchase agreements and no more than 5% of the portfolio of Texas CLASS may be invested in term repurchase agreements with maturities exceeding 90 days. Repurchase agreements shall be 102% collateralized by obligations of the United States Treasury or its agencies and instrumentalities in accordance with the provisions of the Public Securities Association Master Agreement on file with the Program Administrator pertaining to repurchase agreement operating procedures.

Securities lending programs that comply with various limitations.

Bankers' acceptances that comply with the Investment Act

Commercial paper that complies with the Investment Act; provided that no more than 25% of the assets of Texas CLASS shall be invested in commercial paper of any one industry, except that the 25% limitation shall not apply to commercial paper of banking and financial institutions.

No-load money market mutual funds that comply with the Investment Act.

Guaranteed investment contracts that comply with the Investment Act.

Bonds issued, assumed or guaranteed by the State of Israel that are also backed by the full faith and credit of the United States of America.

The weighted average maturity of Texas CLASS cannot exceed 60 days. As of June 30, 2021, Texas CLASS has a weighted average maturity of 81 days.

To manage custodial credit risk, all investments are made in the name of the Garland Independent School District. All investments other than pools and repurchase agreements are purchased with the delivery versus payment method and are recorded in the District's name on the Federal Reserve's book entry system and confirmed to the District via safekeeping receipt maintained on the books by the Bank of America safekeeping department.

During the period, the District did not hold any investments in commercial paper. The District neither enters into reverse repurchase agreements nor trades in options or future contracts. Additionally, the District does not participate in any Securities Lending Programs.

Note 3. Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita programs. Amounts due from federal and state governments as of June 30, 2021, are summarized below and are reported on the combined financial statements as Due from Other Governments.

Fund	General Fund	Special Revenue Fund	Total
Due from the State of Texas	\$ 58,410,955	\$ 2,723,493	\$ 61,134,448
Due from the Federal Government	-	13,466,747	13,466,747
Total	\$ 58,410,955	\$ 16,190,240	\$ 74,601,195

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 4. Capital Assets

Capital asset activity of the District for the fiscal year ended June 30, 2021, was as follows:

Governmental Activities:	Beginning Balance 7/1/2020, as restated	Additions	Retirements	Transfers	Ending Balance 6/30/2021
Non-Depreciable Assets					
Land	\$ 35,835,595	-	-	-	\$ 35,835,595
Construction In Progress	192,396,420	\$ 2,736,241	\$ -	\$ (154,311,296)	40,821,365
Total Non-Depreciable Assets	228,232,015	2,736,241	-	(154,311,296)	76,656,960
Depreciable Assets					
Land Improvements	56,554,059	23,784	-	338,394	56,916,237
Building & Building Improvements	907,784,789	9,362,650	-	136,736,884	1,053,884,323
Furniture & Equipment	132,328,095	3,424,127	(169,766)	17,236,018	152,818,474
Total Depreciable Assets	1,096,666,943	12,810,561	(169,766)	154,311,296	1,263,619,034
Less Accumulated Depreciation for:					
Land Improvements	32,063,448	2,210,407	-	-	34,273,855
Building & Building Improvements	358,938,934	25,006,057	-	-	383,944,991
Furniture & Equipment	109,971,906	12,295,556	(159,025)	-	122,108,437
Total Accumulated Depreciation	500,974,288	39,512,020	(159,025)	-	540,327,283
Governmental Activities-Capital Assets, being depreciated, net	595,692,655	(26,701,459)	(10,741)	154,311,296	723,291,751
Governmental Activities-Capital Assets, Net	\$ 823,924,670	\$ (23,965,218)	\$ (10,741)	-	\$ 799,948,711

Total Governmental Activities - Capital Assets include cost of assets held in internal service funds and related accumulated depreciation amounting to \$7,488,516 and \$6,598,585 respectively.

Depreciation expense was charged to governmental functions as follows:

11 Instruction	\$ 11,203,508
12 Instructional Resources and Media Services	482,207
13 Curriculum Development and Instructional Staff Development	5,466
21 Instructional Leadership	144,284
23 School Leadership	251,356
31 Guidance, Counseling and Evaluation Services	92,399
33 Health Services	97,361
34 Student (Pupil) Transportation	2,908,516
35 Food Services	1,515,286
36 Cocurricular/Extracurricular Activities	2,303,164
41 General Administration	239,195
51 Plant Maintenance and Operations	12,250,080
52 Security and Monitoring Services	67,864
53 Data Processing Services	6,312,979
61 Community Services	884,632
Internal Service Fund Depreciation	753,723
	<u>\$ 39,512,020</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 4. Capital Assets – continued

As of June 30, 2021, the District had the following major commitments with respect to unfinished major capital projects.

	Project Authorization	Remaining Commitment
Bond Project Management	\$ 16,430,215	\$ 51,100
District Roofing	13,206,779	346,216
HVAC Equipment	3,367,549	28,305
District Flooring	3,616,169	1,201,814
MDF/IDF Construct/Renovation	2,003,759	30,651
Winter Storm Bldg Renovations	1,455,306	300,000
Facilities Condition Assessmt	980,000	41,584
HVAC Bond	727,166	79,993
LCHS Ductwork Replacement	997,060	517,960
Safety Line System	245,280	23,929
Harris Hill Building Renovation	524,280	379,520
Exterior Painting	2,331,813	2,238,223
Bond Administrative Overhead	437,177	364,601
O'Banion Ramp	369,600	300,274
Rowlett P-Tech Storefront	198,791	186,791
Williams Stadium Design	220,087	213,655
Total	<u>\$ 47,111,031</u>	<u>\$ 6,304,616</u>

Note 5. Unearned Revenue

Governmental and internal service funds unearned revenue at June 30, 2021 consisted of the following:

	General Fund	Special Revenue Fund	Internal Service Fund	Total
Food Service Meals		\$ 592,358		\$ 592,358
Special Ed Grant		115,580		115,580
Event Tickets			\$ 497,785	497,785
Other	\$ 17,494	55,847		73,341
	<u>\$ 17,494</u>	<u>\$ 763,785</u>	<u>\$ 497,785</u>	<u>\$ 1,279,064</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 6. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the fiscal year ended June 30, 2021:

	July 1, 2020 Obligations	New Obligations Incurred	Obligations Retired or Transferred	June 30, 2021 Obligations	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 507,640,000	\$ 47,830,000	\$ 95,925,000	\$ 459,545,000	\$ 42,265,000
Premium on bond issuance	50,189,529	6,685,636	7,727,466	49,147,699	
Notes Payable	<u>6,466,357</u>	<u>-</u>	<u>421,600</u>	<u>6,044,757</u>	<u>407,079</u>
Total Bonds and Notes Payable	<u>564,295,886</u>	<u>54,515,636</u>	<u>104,074,066</u>	<u>514,737,456</u>	<u>42,672,079</u>
Other Liabilities:					
Net Pension Liability	176,503,815	(961,168)	12,556,236	162,986,411	
Net OPEB Liability	204,393,433	(44,437,054)	3,135,508	156,820,871	
Workers compensation self-insurance liability	2,870,970	883,914	1,032,839	2,722,045	1,385,009
Capital Leases	983,047	-	504,609	478,438	411,633
Vested sick leave	<u>1,515,090</u>	<u>126,663</u>	<u>578,704</u>	<u>1,063,049</u>	<u>83,857</u>
Total Other Liabilities	<u>386,266,355</u>	<u>(44,387,645)</u>	<u>17,807,896</u>	<u>324,070,814</u>	<u>1,880,499</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 950,562,241</u>	<u>\$ 10,127,991</u>	<u>\$ 121,881,962</u>	<u>\$ 838,808,270</u>	<u>\$ 44,552,578</u>

For governmental activities, it is the District's general policy to liquidate claims, judgments, compensated absences, net pension liabilities and net OPEB Liabilities by the general fund.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 6. Long-Term Obligations – continued

Bonds payable and contractual obligations at June 30, 2021 are composed of the following individual issues:

Description	Interest Rate	Amounts Original Issue	Amounts Outstanding at July 1, 2020	Issued	Retired/ Refunded	Amounts Outstanding at June 30, 2021
Qualified School Construction						
Bonds - 2009B						
Matures 2019 - 2024	0.0%	\$ 10,185,000	\$ 6,755,000		\$ 1,690,000	\$ 5,065,000
Unlimited Tax Refunding						
Series - 2012						
Matures 2016 - 2028	2.0% to 5.0%	99,425,000	63,060,000		63,060,000	-
Qualified School Construction						
Bonds - 2012						
Matures 2022 - 2031	4.009%	12,485,000	12,485,000			12,485,000
Unlimited Tax Refunding						
Series - 2014						
Matures 2015 - 2024	4.0%	26,725,000	10,085,000		1,995,000	8,090,000
Unlimited Tax Building and Refunding						
Series - 2015A						
Matures 2016 - 2035	2.0% to 5.0%	185,740,000	156,910,000		3,100,000	153,810,000
Unlimited Tax Refunding						
Bonds - 2016						
Matures 2020 - 2031	2.5% to 5.0%	40,560,000	38,115,000		4,010,000	34,105,000
Unlimited Tax School Building						
Bonds - 2016						
Matures 2017 - 2036	2.0% to 5.0%	150,250,000	115,890,000		4,955,000	110,935,000
Unlimited Tax School Building						
Bonds - 2018						
Matures 2019 - 2038	5.0%	78,565,000	66,860,000		2,350,000	64,510,000
Unlimited Tax Refunding						
Bonds - 2019						
Matures 2020 - 2029	3.0% to 5.0%	14,525,000	10,590,000		7,190,000	3,400,000
Unlimited Tax Refunding						
Bonds - 2019A						
Matures 2020 - 2024	5.0%	28,420,000	26,890,000		6,730,000	20,160,000
Unlimited Tax Refunding						
Bonds - 2020						
Matures 2021 - 2028	5.0%	<u>47,830,000</u>	<u>-</u>	<u>\$ 47,830,000</u>	<u>845,000</u>	<u>46,985,000</u>
Total		<u>\$ 694,710,000</u>	<u>\$ 507,640,000</u>	<u>\$ 47,830,000</u>	<u>\$ 95,925,000</u>	<u>\$ 459,545,000</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 6. Long-Term Obligations - continued

These bonds are secured by ad valorem taxes levied against all taxable property and are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. Interest rates on the bonds range from 0.00% to 5.00% and are due through 2038. At June 30, 2021, \$76,901,253 was available in the Debt Service Fund to service these bonds. Arbitrage rebates are paid from interest earnings of the Capital Projects Fund. Sick leave is paid from the General Fund.

In November 2020, the District issued \$47,830,000 of Unlimited Tax Refunding Bonds, Series 2020. All of the proceeds (\$47,830,000), were used to refund \$52,850,000 of Unlimited Tax Refunding Bonds, Series 2012. The reacquisition price was more than the net carrying amount of the old debt resulting in a loss on refunding of \$1,552,279. This loss is netted with previous losses on refunding and carried as a deferred outflow of resources and amortized over the remaining life of the refunded debt which is the same as the new debt. This refunding decreased total debt service payment over the next eight years by \$6,611,716 with a net present value of \$6,413,873. The issuance cost of \$219,875 was expensed. The premium received of \$6,685,636 is being amortized over the life of the refunded debt which is the same as the new debt. Series 2020 bears interest at 5.0% and matures in 2028.

The annual requirements to pay principal and interest on the bond obligations outstanding as of June 30, 2021 are as follows:

Year Ended June 30	Principal	Interest	Requirements
2022	\$ 42,265,000	\$ 20,559,389	\$ 62,824,389
2023	41,900,000	18,598,642	60,498,642
2024	41,710,000	16,629,382	58,339,382
2025	28,345,000	14,692,086	43,037,086
2026	28,490,000	13,276,536	41,766,536
2027-2031	148,460,000	46,782,356	195,242,356
2032-2036	117,655,000	16,747,300	134,402,300
2037-2038	10,720,000	810,750	11,530,750
	<u>\$ 459,545,000</u>	<u>\$ 148,096,441</u>	<u>\$ 607,641,441</u>

As of June 30, 2021, the District has issued all general obligation bonds from the November 2014 voted authorization.

During 2019 the District entered into a direct borrowing from the State Energy Conservation Office. The note payable allowed the district to complete energy-related cost reductions retrofits. It is being repaid over 15 years at a 1% interest rate from the General Fund. There are 14 years remaining on the loan.

Year Ended June 30	Principal	Interest	Requirements
2022	\$ 407,079	\$ 60,848	\$ 467,927
2023	411,150	56,777	467,927
2024	415,262	52,666	467,928
2025	419,414	48,513	467,927
2026	423,608	44,319	467,927
2027 - 2031	2,182,437	157,199	2,339,636
2032 - 2035	1,785,807	45,873	1,831,680
	<u>\$ 6,044,757</u>	<u>\$ 466,195</u>	<u>\$ 6,510,952</u>

The District will continue to make the required pension and OPEB contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the net pension and OPEB liabilities on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and Special Revenue funds.

GARLAND INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021

Note 7. Compensated Absences

Employees of the District are granted vacation and sick leave annually. Vacation must be taken within the fiscal year; thus, the District has no liability for unused vacation pay. Sick leave days are accumulated from year to year. However, only qualified employees are paid for sick leave days not taken upon retirement. Qualified employees (employees with ten or more years of service in the District who retire or take disability retirement and who have unused accumulated local sick leave or state sick or personal leave accrued prior to the 1995-96) shall be paid for up to 20 days of leave at the daily rate at the time of retirement. The liability for compensated absences related to qualified employees is approximately \$1,063,049. Of this amount, \$83,857 is recorded in the General Fund in accrued wages for the amount due to retired employees as of June 30, 2021.

Note 8. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2021 arose in the normal course of operations and consisted of the following individual fund receivable and payable balances:

	FROM	
TO		
Debt Service Fund	General Fund	\$ 76,663,490
General Fund	Special Revenue Fund	<u>\$ 3,616,340</u>
Total Due From Other Funds		<u>\$ 80,279,830</u>
FROM	TO	
General Fund	Debt Service Fund	\$ 76,663,490
Special Revenue Fund	General Fund	<u>\$ 3,616,340</u>
Total Due To Other Funds		<u>\$ 80,279,830</u>

All due to/from amounts are generated in the normal course of operations from payroll, tax collections and accounts payable activity. They are repaid periodically throughout the year.

Transfers In/Out for the fiscal year ended June 30, 2021 were as follows:

	<u>Transfers In</u>
	Capital Projects
<u>Transfers Out</u>	
General Fund	<u>\$ 5,814,949</u>
	<u>\$ 5,814,949</u>

In the fund financial statements, \$5,814,949 was transferred out of the General Fund to Capital Projects Fund for buses and construction renovations projects.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 9. Local Revenues - Governmental Funds

Local revenues are comprised of the following:

	General Fund	Debt Service Fund	Capital Projects	Special Revenue Fund	Total
Taxes, penalty & interest	\$ 214,186,322	\$ 68,837,726			\$ 283,024,048
Investment earning	297,799	26,024	\$ 28,822	\$ 15,731	368,376
Other intermediate	409,000			1,015,001	1,424,001
Tuition and Fees	54,519			40,417	94,936
Rental	168,180				168,180
Insurance Recovery	84,393				84,393
Other	329,435			120,061	449,496
Food service				774,760	774,760
Gifts				175,151	175,151
Total	<u>\$ 215,529,648</u>	<u>\$ 68,863,750</u>	<u>\$ 28,822</u>	<u>\$ 2,141,121</u>	<u>\$ 286,563,341</u>

Note 10. Risk Management

Workers' Compensation – Self Funded

The District manages its workers' compensation risk internally through a Risk Management Department which provides for loss control and loss prevention and sets aside assets for claim settlement through the Risk Management Internal Service Fund. This internal service fund charges interfund "premiums" based on an estimate of the District's ultimate loss.

During the fiscal year ended June 30, 2021, the District met its statutory workers' compensation obligations by participating as a self-funded member of the Texas Association of School Boards (TASB) Risk Management Fund (Fund). The Fund 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. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

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

The District is protected against higher than expected worker's compensation claims cost through the purchase of stop-loss coverage. Through Roach Howard Smith and Barton Agency, the District has workers' compensation stop-loss coverage with Star Insurance Company with a \$600,000 retention.

The TASB Fund engages services of an independent auditor to conduct a financial audit after the close of each plan year on June 30. The audit is accepted by the TASB Fund's Board of Trustees in February of the following year. The TASB Fund's audited financial statements as of June 30, 2021, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Health Insurance

As of September 1, 2011, the District discontinued the health self-insurance plan. At that time, employees became eligible to purchase health insurance through TRS-ActiveCare, which is the statewide health plan for public education employees established by the 77th Texas Legislature. It is a fully insured plan administered by Aetna. The District contributes \$325 per active participant.

For workers' compensation, health care, property, and liability insurances, the District has not experienced significant reductions in insurance coverage from that of the prior year. With respect to the risks mentioned below, settlements have not exceeded insurance coverage for the past three fiscal years except where noted.

GARLAND INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021

Note 10. Risk Management - continued

The District reports liabilities based on requirements of Governmental Auditing Standards Board Statement Nos. 10 and 30, which require a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. This liability for workers' compensation self-funded plans, reported at their estimated value on June 30, 2021, was \$2,722,045 and is recorded as an accrued expenditure in the Risk Management Internal Service Fund.

In fiscal years 2021 and 2020, changes in workers' compensation claims liability amounts were:

<u>Internal Service Fund</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2020 - Risk Management	2,733,186	1,454,308	1,316,524	2,870,970
2021- Risk Management	2,870,970	883,914	1,032,839	2,722,045

At June 30, 2021, the District held \$7,642,936 in temporary cash and investments in the Risk Management Internal Service Fund designated for payment of workers' compensation.

Property and Liability Insurance

The District's buildings are insured through purchased insurance to replacement cost. The deductible is \$100,000 per occurrence for property claims except for 1% of total insured value per location for wind and hail claims after a \$2.5 million retention. A crime insurance policy has a \$1,000,000 limit with a \$10,000 deductible. Liability coverage is provided through TASB Risk Management Fund, a self-insured risk pool (TASBRMF). Vehicles are covered for liability up to \$300,000 per occurrence, which meets the District's tort liability limits, plus \$1,000,000 per occurrence for out of state claims. Vehicle physical damage and liability is subject to a \$1,000 deductible.

The District maintains Educator Leaders liability coverage with a \$2,000,000 limit and per occurrence deductible of \$10,000. The District has general liability coverage with a \$2,000,000 limit, no deductible, and an annual aggregate of \$2,000,000. The liability risk pool used by the District through August 31, 2017 has filed bankruptcy leaving a pending bankruptcy claim of \$355,037.21 The Risk Management Internal Service Fund has adequate fund balance to cover potential claims that occurred August 31, 2017 or prior that will not be covered due to the bankruptcy.

The Texas Commission on Environmental Quality ("TCEQ") has required that the District have liability insurance or self-insurance to protect against loss from operating underground fuel storage tanks. The amount of insurance required by the TCEQ is \$1,000,000 per occurrence and \$1,000,000 in the annual aggregate. The Board of Trustees has decided to satisfy this insurance requirement by designating \$1,000,000 of the District's General Fund Balance as a self-insurance fund.

The City of Garland has required that the District provide proof of liability insurance or self-insurance in the total amount of \$6,000,000 (\$1,000,000 primary and \$5,000,000 self-insurance) in order to use City of Garland right of ways for the District's WAN/MAN fiber optic communications cables. The purpose of the insurance is to cover any future possible claims of liability arising out of the construction, installation, maintenance, or operation of the District's WAN/MAN cables in the City of Garland rights of way. The Board of Trustees has decided to satisfy this insurance requirement by designating self-insurance of \$6,000,000 of the District's General Fund Balance as a self-insurance fund.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 10. Risk Management - continued

Medical Malpractice Insurance

The District carries a medical malpractice insurance policy to provide protection for the employee clinic and school nurses from malpractice claims. The policy has a \$1 million per occurrence limit with a \$3 million aggregate, subject to a \$2,500 per claim deductible.

Student Accident Insurance

The District provides accident insurance for athletics, band, cheerleading and other UIL sponsored activities. The accident policy is an excess insurance policy covering accidental injuries with a \$25,000 limit. There is also a catastrophic umbrella policy for these UIL sponsored activities with a limit of \$7.5 million above the underlying \$25,000 policy.

Note 11. Retirement Plan

Retirement Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

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

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

Benefits Provided

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

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 11. Retirement Plan - continued

Benefits Provided (continued)

In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution, which requires the legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan years 2018 and 2019 and the 86th Texas Legislature, GAA established the employer contribution rates for Plan years 2020 and 2021.

	Contribution Rates	
	Plan Fiscal Year	
	2020	2021
Member	7.7%	7.7%
Employer	7.5%	7.5%
District	7.5%	7.5%

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

	Measurement Year (2020)	For the Fiscal Year Ended June 30, 2021
	Contributions Required and Made	TRS Contributions
Member (Employee)	\$ 29,051,404	\$ 29,749,212
Non-employer contributing agency (State)	20,191,191	20,365,718
District	12,556,236	13,329,913

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

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 11. Retirement Plan - continued

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

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

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. The actuarial methods and assumption were primarily based on a study of actual experience for the three year ending August 31, 2019 and were adopted in July 2019.

The following table discloses the assumptions that were applied to this measurement period.

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate	2.33%*
Last year ending August 31 in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%, including Inflation
Ad Hoc Post- Employment Benefit Changes	None

* 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 are reported in Fidelity Index’s “20-Year Municipal GO AA index.

The actuarial methods and assumptions are primarily based on a study of actual experience for the three-year period ending August 31, 2019 and adopted in July 2020.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 11. Retirement Plan - continued

Discount Rate

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

The long-term expected rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate 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 geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	FY 2020 Target Allocation* %	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.02%
Energy and Natural Resources, and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
Total	<u>100.00%</u>		<u>7.33%</u>

* Target Allocations are based on the FY 2020 policy model.

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

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

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 11. Retirement Plan - continued

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease	Current	1% Increase
	(6.250%)	Rate (7.250%)	(8.250%)
District's Proportional share of the net pension liability	\$ 251,322,129	\$ 162,986,411	\$ 91,215,575

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

At June 30, 2021, the District reported a liability of \$162,986,411 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.3043%
District's proportionate share of the net pension liability	\$ 162,986,411
State's proportionate share of the net pension liability associated with the District	262,092,489
Total	\$ 425,078,900

The Net Pension Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net Pension Liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.3043% which was a decrease from its proportion measured as of August 31, 2019 of 0.0352%.

Changes since the Prior Actuarial Valuation

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

- The single discount as of August 31, 2018 was a single blended rate 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

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

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 11. Retirement Plan - continued

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$25,324,444 as well as revenue of \$31,523,907 representing pension expense incurred by the State on behalf of the District.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 297,600	\$ (4,548,518)
Changes in actuarial assumptions	37,818,646	(16,080,225)
Differences between projected and actual investment earnings	3,299,520	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,736,284	(14,471,405)
Contributions paid to TRS subsequent to the measurement date	11,221,076	-
Total	\$ 61,373,126	\$ (35,100,148)

The \$11,221,076 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2022	\$ 6,031,271
2023	6,807,570
2024	6,166,578
2025	821,331
2026	(4,012,583)
Thereafter	(762,265)
	\$ 15,051,902

Note 12. Retiree Health 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. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

OPEB Plan Fiduciary Net Position

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

GARLAND INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021

Note 12. Retiree Health Plan - continued

Benefits Provided

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

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

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

TRS-Care Monthly for Retirees			
Effective January 1, 2020 - Dec 31, 2020			
	Medicare		Non-Medicare
Retiree or 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 .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 12. Retiree Health Plan - continued

	Contribution Rates	
	2021	2020
Active Employees	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%
	Measurement Year (2020) Contributions Required and Made	Fiscal Year (2021) TRS Contributions
Member (Employee)	\$ 2,452,374	\$ 2,511,302
Non-Employer Contributing Agency (State)	4,213,313	6,236,307
District	3,135,508	3,194,942

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

Actuarial Assumptions

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

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in this OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2018.

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

GARLAND INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021

Note 12. Retiree Health Plan - continued

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33%
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.
Salary increases	3.05% to 9.05%, including inflation
Ad Hoc Post- Employment Benefit Changes	None

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

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

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

Discount Rate

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

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 12. Retiree Health Plan - continued

Discount Rate Sensitivity Analysis

Discount Rate – The following presents the District’s proportional share of the net OPEB liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one- percentage point lower or one-percentage point higher than the AA/Aa rate.

	Discount Rate		
	1% Decrease (1.33%)	Current Rate (2.33%)	1% Increase (3.33%)
District's Proportional share of the Net OPEB Liability:	\$ 188,184,686	\$ 156,820,871	\$ 132,047,958

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
District's proportionate share of the Net OPEB Liability:	\$ 128,102,559	\$ 156,820,871	\$ 195,069,602

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

At June 30, 2021, the District reported a liability of \$156,820,871 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportion of the Net OPEB Liability	0.4125%
District's Proportionate share of the Net OPEB Liability	\$ 156,820,871
State's Proportionate share of the Net OPEB Liability associated with the District	<u>210,729,659</u>
Total	<u>\$ 367,550,530</u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District’s proportion of the Net OPEB Liability was based on the District’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the employer’s proportion of the collective Net OPEB Liability was 0.4125% compared to 0.4332% as of August 31, 2019.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 12. Retiree Health Plan - continued

Changes Since the Prior Actuarial Valuation

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent, as of August 31, 2020. This change increased the Total OPEB Liability (TOL).
- The participation rate for pre-65 retirees was lowered from 50 percent to 40 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. These was no lapse assumption in the prior valuation, these changes decreased TOL.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

For the year ended June 30, 2021, the District recognized negative OPEB expense of \$2,417,951. The District also recognized negative on-behalf expense and revenue of \$1,463,227 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 8,211,079	\$ (71,769,249)
Changes in actuarial assumptions	9,672,587	(43,063,821)
Differences between projected and actual investment earnings	50,961	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	7,230,689	(11,388,433)
Contributions paid to TRS subsequent to the measurement date	2,668,929	-
Total	\$ 27,834,245	\$ (126,221,503)

The \$2,668,929 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 12. Retiree Health Plan - continued

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

<u>Year End June 30</u>	<u>Amount</u>
2022	\$ (16,363,008)
2023	(16,369,820)
2024	(16,373,716)
2025	(16,372,650)
2026	(12,183,901)
Thereafter	<u>(23,393,092)</u>
	<u>\$ (101,056,187)</u>

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries know as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on behalf of the District are as follows:

<u>Fiscal Year</u>	<u>Medicare Part D</u>
2021	\$ 1,710,317
2020	1,772,577
2019	1,386,665

The information for the fiscal year ended June 30, 2021 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 13. Commitments and Contingencies

Litigation – The District is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of District’s management, the potential losses after insurance coverage, on all claims, will not have a material adverse effect on the District’s financial statements.

Grant Programs – The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any monies received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

Note 14. Operating Leases

The District leases a warehouse and clinic space under non-cancelable operating leases. Total lease payments made under the warehouse and clinic leases were \$112,734 and \$91,070, respectfully, for the fiscal year ended June 30, 2021.

The future minimum lease payments for the leases are as follows:

Year Ending June 30,	Warehouse	Clinic
2022	\$ 163,980	\$ 94,785
2023	163,980	92,652
2024	163,980	92,652
2025	-	69,489
Total	\$ 491,940	\$ 349,578

Note 15. Capital Leases

In August 2016, the District entered into capital lease agreements for copier equipment. The initial agreement expired in August 2019 and the district exercised the bargain renewal option of three additional years. Amortization of the capital lease assets is included in depreciation expense within the Copier Pool Internal Service fund.

The following is a summary of the leased assets included in furniture and equipment within the Copier Pool Internal Service Fund:

Equipment	\$ 3,636,975
Less: accumulated depreciation	(3,232,867)
Net book value	\$ 404,108

Future minimum commitments under the capital leases are as follows:

Fiscal Year	Total	Principal	Interest
2022	\$ 418,866	\$ 411,633	\$ 7,233
2023	67,019	66,806	213
Total	\$ 485,885	\$ 478,439	\$ 7,446

Note 16. Deferred Outflows of Resources

For governmental activities, the net investment in capital assets of \$344,843,626 includes the effect of deferring the recognition of losses on bond refunding's. The \$4,210,317 balance of the deferred outflow of resources at June 30, 2021 will be recognized as an expense and will decrease unrestricted net position over the next 10 years.

	July 1, 2020 Balance	New Obligations Incurred	Obligations Retired or Paid	June 30, 2021 Balance
Deferred Outflows of Resources:				
Deferred Charge on Refunding	\$ 7,376,020	\$ 1,552,279	\$ 4,717,982	\$ 4,210,317
Deferred Outflows of Resources for Pension Activities	82,541,668	(9,947,466)	11,221,076	61,373,126
Deferred Outflows of Resources for OPEB	32,429,069	(1,925,895)	2,668,929	27,834,245
Total Deferred Outflows of Resources	\$ 122,346,757	\$ (10,321,082)	\$ 18,607,987	\$ 93,417,688

GARLAND INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021

Note 17. Prior Period Restatement

The District determined that the items in construction in progress (CIP) from the prior year should be expensed and therefore that value has been restated.

Net Position as originally presented	\$ 301,119,161
Prior Period Restatement	
Prior Year CIP to be expensed	<u>\$ (13,810,355)</u>
Net Position as restated	<u><u>\$ 287,308,806</u></u>

The District implemented GASB 84 during the 2021 fiscal year. Due to implementation, a prior period adjustment is required. The Custodial Fund and this balance did not exist at June 30, 2020.

Net Position as originally presented	\$ -
Prior Period Restatement	
GASB 84 Implementation	<u>\$ 605,634</u>
Net Position as restated	<u><u>\$ 605,634</u></u>

Note 18. Subsequent Events

The District evaluated all subsequent events through November 15, 2021, the date these financial statements were issued, and determined there to be no additional subsequent events requiring recognition or disclosure.

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Required Supplementary Information

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit G-1

	<u>Budgeted Amounts</u>		Actual Amounts (GAAP BASIS)	Variance With Final Budget
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive or (Negative)
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 230,653,531	\$ 214,209,287	\$ 215,529,648	\$ 1,320,361
5800 State Program Revenues	320,008,654	291,235,654	289,857,090	(1,378,564)
5900 Federal Program Revenues	9,000,000	9,000,000	10,758,157	1,758,157
5020 Total Revenues	<u>559,662,185</u>	<u>514,444,941</u>	<u>516,144,895</u>	<u>1,699,954</u>
EXPENDITURES:				
Current:				
0011 Instruction	318,782,474	312,255,738	301,219,372	11,036,366
0012 Instructional Resources and Media Services	8,224,571	8,333,448	8,033,656	299,792
0013 Curriculum and Instructional Staff Development	14,005,577	15,357,541	13,379,382	1,978,159
0021 Instructional Leadership	9,696,055	8,839,498	7,891,099	948,399
0023 School Leadership	34,986,245	34,443,252	32,697,206	1,746,046
0031 Guidance, Counseling, and Evaluation Services	26,267,605	26,033,888	25,019,032	1,014,856
0032 Social Work Services	1,046,663	671,193	501,542	169,651
0033 Health Services	7,874,364	9,465,340	8,077,642	1,387,698
0034 Student (Pupil) Transportation	19,610,924	18,937,260	16,688,745	2,248,515
0035 Food Services	300,000	251,517	16,967	234,550
0036 Cocurricular/Extracurricular Activities	13,877,625	13,210,488	10,196,828	3,013,660
0041 General Administration	20,035,055	18,656,688	16,412,571	2,244,117
0051 Facilities Maintenance and Operations	46,266,388	48,148,967	43,138,989	5,009,978
0052 Security and Monitoring Services	7,197,217	7,829,514	6,739,253	1,090,261
0053 Data Processing Services	17,057,325	15,148,433	13,760,614	1,387,819
0061 Community Services	2,047,132	1,884,797	1,664,451	220,346
0071 Debt Service - Principal on Long-Term Debt	484,000	484,000	482,517	1,483
0081 Facilities Acquisition and Construction		69,483	67,393	2,090
0095 Payments to Juvenile Justice Alternative Ed Program	36,000	36,000	7,446	28,554
0099 Other Intergovernmental Charges	928,839	963,769	963,769	-
6030 Total Expenditures	<u>548,724,059</u>	<u>541,020,814</u>	<u>506,958,474</u>	<u>34,062,340</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	10,938,126	(26,575,873)	9,186,421	(32,362,386)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property			87,673	87,673
8911 Transfers Out			(5,814,949)	(5,814,949)
7080 Total Other Financing Uses	<u>-</u>	<u>(5,814,949)</u>	<u>(5,727,276)</u>	<u>(5,727,276)</u>
1200 Net Change in Fund Balances	10,938,126	(32,390,822)	3,459,145	35,849,967
0100 Fund Balance - July 1 (Beginning)	267,485,471	267,485,471	267,485,471	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 278,423,597</u>	<u>\$ 235,094,649</u>	<u>\$ 270,944,616</u>	<u>\$ 35,849,967</u>

The accompanying note is an integral part of the required supplemental information

GARLAND INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – NATIONAL BREAKFAST AND LUNCH PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit G-2

	<u>Budgeted Amounts</u>		Actual Amounts (GAAP BASIS)	Variance With Final Budget
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive or (Negative)
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 7,262,000	\$ 831,000	\$ 792,057	\$ (38,943)
5800 State Program Revenues	170,000	170,000	148,074	(21,926)
5900 Federal Program Revenues	<u>26,370,809</u>	<u>19,685,405</u>	<u>19,843,354</u>	<u>157,949</u>
5020 Total Revenues	<u>33,802,809</u>	<u>20,686,405</u>	<u>20,783,485</u>	<u>97,080</u>
EXPENDITURES:				
Current:				
0035 Food Services	<u>34,302,809</u>	<u>26,944,374</u>	<u>24,501,244</u>	<u>2,443,130</u>
6030 Total Expenditures	<u>34,302,809</u>	<u>26,944,374</u>	<u>24,501,244</u>	<u>2,443,130</u>
1200 Net Change in Fund Balances	<u>(500,000)</u>	<u>(6,257,969)</u>	<u>(3,717,759)</u>	<u>2,540,210</u>
0100 Fund Balance - July 1 (Beginning)	<u>7,588,492</u>	<u>7,588,492</u>	<u>7,588,492</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 7,088,492</u>	<u>\$ 1,330,523</u>	<u>\$ 3,870,733</u>	<u>\$ 2,540,210</u>

The accompanying note is an integral part of the required supplemental information

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Stewardship, Compliance, and Accountability

The District is required by state law to adopt annual budgets for the General Fund, National School Lunch and Breakfast Program and Debt Service Fund. Special Revenue Funds, other than the Food Service Fund, are required to be budgeted on a project basis. Each budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America.

The District uses the following procedures in establishing the budgets reflected in the financial statements:

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

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the subsequent fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Trustees 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 of Trustees.

The officially adopted district budget, as amended, must be filed with TEA through PEIMS (Public Education Information Management System) by the date prescribed in the annual system guidelines. This requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of School Trustees. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is prepared and controlled by the Executive Director of Budget at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board of School Trustees. All budget appropriations lapse at year-end.

During the course of the year, the District monitors revenues and expenditures and submits monthly amendments to the Board for approval to be more in line with expected final results. Over the course of the year, the District recommended and the Board approved, several revisions to budgeted revenue and appropriations. These amendments fall into the following categories:

- Amendments approved shortly after the beginning of the new fiscal year for amounts reserved and designated in the prior year
- Amendments approved shortly after the beginning of the new fiscal year to align the payroll budget with job assignment changes
- Amendments in summer to revise estimates for local and state revenue based on the latest information on student attendance numbers and tax collections
- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations
- Amendments during the year for changes in program

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Stewardship, Compliance, and Accountability – continued

Significant differences between the original and final amended budget can be briefly summarized as follows:

GENERAL FUND

Revenues

- \$12,600,000 decrease in local revenue sources to account for loss in revenue due to the outcome of the VATRE.
- \$3,580,000 decrease in local revenue sources to account for the reduction in projected interest income.
- \$29,198,000 decrease in state program revenue sources due loss in revenue due to the outcome of the VATRE.
- No change in federal program revenues.

Expenditures by function are amended monthly to fulfill requests from campuses and central organizations to appropriately code expenses as required by the state accountability system.

Additionally, the District made and the Board approved the transfers in and out:

- \$2,301,149 transfer out to capital projects for projects related to the winter storm clean up, P-TECH program at Rowlett High School and access doors at transportation.
- \$3,513,800 transfer out to fund bus purchases.

After appropriations were amended as described above, actual revenues were \$1,699,963 greater than final budgeted amounts due to more revenue in local, state and federal programs than final budgeted estimates. Actual expenditures were \$34,078,520 less than final budget amounts due to savings primarily from operational changes due to COVID-19 and savings from vacant positions. Year-end revenues were greater than expenditures, thus adding to existing fund balance.

NATIONAL BREAKFAST AND LUNCH PROGRAM

Revenues

- \$6,431,000 decrease in local revenue sources due to lower participation due to virtual school learning.
- \$6,685,404 decrease in federal revenue sources due to lower participation due to virtual school learning.

Expenditures

- \$7,358,435 decrease in food services expenditures due to lower participation due to virtual school learning.

Actual revenues were \$6,697,080 greater than final budgeted amounts due to more revenue in federal sources than final budgeted estimates. Actual expenditures were \$2,433,989 less than final budget amounts due to the year-end payroll accrual being less than estimated. Year-end expenditures were greater than revenue, thus decreasing existing fund balance.

DEBT SERVICE FUND

Revenues

- \$4,801,292 decreased due to further reduction in the debt service tax rate after budget adoption. The budget was adopted at \$0.33, and the tax rate was officially adopted at \$0.305.

After appropriations were amended as described above, actual revenues were \$2,876,917 greater than final budgeted amounts due to more revenue in local and intermediate sources than final budgeted estimates. Actual expenditures were \$821,374 less than final budget amounts. The bond issuance costs, fees and interest were less than budgeted.

**GARLAND INDEPENDENT SCHOOL DISTRICT
TEACHER RETIREMENT SYSTEM OF TEXAS
FISCAL YEAR ENDED JUNE 30, 2021**

**Schedule of The District's Proportionate Share of the Net Pension Liability
Last Seven Measurement Years**

Exhibit G-3

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.3043%	0.3395%	0.3392%	0.3214%	0.3313%	0.3352%	21.5300%
District's proportionate share of the net pension liability	\$ 162,986,411	\$ 176,503,815	\$ 186,722,443	\$ 102,762,987	\$ 125,179,074	\$ 118,501,570	\$ 57,527,611
State's proportionate share of the net pension liability associated with the District	262,092,489	252,140,175	276,023,160	171,872,468	204,940,921	203,123,426	179,684,773
Total	\$ 425,078,900	\$ 428,643,990	\$ 462,745,603	\$ 274,635,455	\$ 330,119,995	\$ 321,624,996	\$ 237,212,384
District's covered payroll (for Measurement Year)	\$ 377,293,999	\$ 368,013,193	\$ 358,144,722	\$ 349,184,036	\$ 344,899,599	\$ 335,610,114	\$ 322,119,883
District's proportionate share of the net pension liability as a percentage of its covered payroll	43.20%	47.96%	52.14%	29.43%	36.29%	35.31%	17.86%
Plan fiduciary net position as a percentage of the total pension liability *	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	110.36%	114.93%	52.14%	75.93%	92.75%	91.94%	72.89%

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

Net pension liability is presented prospectively in accordance with GASB 68.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

Schedule of The District's Contributions- Last Ten Fiscal Years

Exhibit G-4

	2021	2020	2019*	2018	2017	2016	2015	2014	2013	2012
Contractually required contributions	\$ 13,329,913	\$ 12,355,875	\$ 9,843,028	\$ 11,569,823	\$ 10,831,873	\$ 10,403,722	\$ 9,926,491	\$ 5,460,162	\$ 4,522,663	\$ 5,390,517
Contributions in relation to the contractual required contributions	13,329,913	12,355,875	9,843,028	11,569,823	10,831,873	10,403,722	9,926,491	5,460,162	4,522,663	5,390,517
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 385,003,791	\$ 376,867,068	\$ 303,878,167	\$ 358,144,722	\$ 349,184,036	\$ 344,899,599	\$ 335,610,114	\$ 322,119,883	\$ 309,585,629	\$ 305,756,789
Contributions as a percentage of covered payroll	3.46%	3.28%	3.24%	3.23%	3.10%	3.01%	2.95%	1.70%	1.46%	1.76%

During the fiscal year 2015, the District adopted GASB Statement No. 68 and 71.

*For the ten months ended June 30, 2019

Changes of Assumptions

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

- The single discount as of August 31, 2018 was a single blended rate 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.

With the enactment of SB 3 by the 2019 Texas legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

Changes of Benefit Terms

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

GARLAND INDEPENDENT SCHOOL DISTRICT
TEACHER RETIREMENT SYSTEM OF TEXAS
FISCAL YEAR ENDED JUNE 30, 2021

Other Information

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

**Schedule of The District's Proportionate Share of the Net OPEB Liability
Last Four Measurement Years**

Exhibit G-5

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.41250%	0.43220%	0.43300%	0.41543%
District's proportionate share of the net OPEB liability	\$ 156,820,871	\$ 204,393,433	\$ 216,200,422	\$ 180,658,335
State's proportionate share of the net OPEB liability associated with the District	210,729,659	271,593,152	303,753,062	272,038,822
Total	<u>\$ 367,550,530</u>	<u>\$ 475,986,585</u>	<u>\$ 519,953,484</u>	<u>\$ 452,697,157</u>
District's covered payroll (for Measurement Year)	\$ 377,293,999	\$ 368,013,193	\$ 358,144,722	\$ 349,184,036
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	41.6%	55.5%	60.37%	51.74%
Plan fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	101.46%	135.21%	146.64%	132.55%

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

Net OPEB liability is presented prospectively in accordance with GASB 75.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

**Schedule of The District's Contributions for Other Post-Employment Benefits (OPEB)
Last Four Fiscal Years**

Exhibit G-6

	<u>2021</u>	<u>2020</u>	<u>2019*</u>	<u>2018</u>
Contractually required contributions	\$ 3,194,942	\$ 3,119,673	\$ 2,546,976	\$ 2,999,519
Contributions in relation to the contractual required contributions	<u>3,194,942</u>	<u>3,119,673</u>	<u>2,546,976</u>	<u>2,999,519</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 385,003,791	\$ 376,867,068	\$ 303,878,167	\$ 358,144,722
Contributions as a percentage of covered payroll	0.83%	0.83%	0.84%	0.84%

During the fiscal year 2018, the District adopted GASB Statement No. 75.

*For the ten months ended June 30, 2019

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTE TO TEACHER RETIREMENT SYSTEM AND POST EMPLOYMENT
BENEFITS SCHEDULES REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2021

Changes of Assumptions

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

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

Changes in Benefit Terms

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

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

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

Combining Statements

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INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The departments included within these funds are as follows:

Motor Pool – this fund is used to account for costs associated with certain vehicles used to transport students to/from co-curricular and extracurricular activities and staff to/from business-related activities.

Print Shop – this fund is used to account for printing services.

Risk Management – this fund is used to account for the costs associated with the workers' compensation self-funded program.

Copier Pool – this fund is used to account for the cost of copier rental.

Curtis Culwell Center – this fund is used to account for the operation of the Curtis Culwell Center.

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2021

	751 Motor Pool	752 Print Shop	753 Risk Management
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 91,995	\$ 1,409,090	\$ 7,642,936
Other Receivables	-	56,890	87,804
Total Current Assets	<u>91,995</u>	<u>1,465,980</u>	<u>7,730,740</u>
Noncurrent Assets:			
Capital Assets:			
Land Improvements			
Building and Building Improvements			7,720
Furniture and Equipment	418,237	1,870,266	113,184
Accumulated Depreciation - Other Land Improvements			
Accumulated Depreciation - Building and Building Improvements			(7,205)
Accumulated Depreciation - Furniture and Equipment	(407,977)	(1,740,100)	(113,184)
Total Noncurrent Assets	<u>10,260</u>	<u>130,166</u>	<u>515</u>
Total Assets	<u><u>102,255</u></u>	<u><u>1,596,146</u></u>	<u><u>7,731,255</u></u>
LIABILITIES			
Current Liabilities:			
Accounts Payable		5,561	392
Leases Payable			
Interest Payable			
Accrued Wages Payable			
Claims Liability			1,385,009
Unearned Revenues			
Total Current Liabilities	<u>-</u>	<u>5,561</u>	<u>1,385,401</u>
Noncurrent Liabilities:			
Capital Lease Payable Long-Term			
Claims Liability Long-Term	-	-	1,337,036
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>1,337,036</u>
Total Liabilities	<u>-</u>	<u>5,561</u>	<u>2,722,437</u>
NET POSITION			
Net Investment in Capital Assets	10,260	130,166	515
Unrestricted Net Position	91,995	1,460,419	5,008,303
Total Net Position	<u><u>\$ 102,255</u></u>	<u><u>\$ 1,590,585</u></u>	<u><u>\$ 5,008,818</u></u>

756 Copier Pool	757 Curtis Culwell Center	Total Internal Service Funds
\$ 522,131	\$ 942,438	\$ 10,608,590
-	9,029	153,723
<u>522,131</u>	<u>951,467</u>	<u>10,762,313</u>
	251,316	251,316
	294,770	302,490
3,636,975	896,048	6,934,710
	(129,291)	(129,291)
	(154,311)	(161,516)
<u>(3,232,867)</u>	<u>(813,650)</u>	<u>(6,307,778)</u>
<u>404,108</u>	<u>344,882</u>	<u>889,931</u>
<u>926,239</u>	<u>1,296,349</u>	<u>11,652,244</u>
99,216	76,573	181,742
411,633		411,633
1,017		1,017
	19,733	19,733
		1,385,009
	497,785	497,785
<u>511,866</u>	<u>594,091</u>	<u>2,496,919</u>
66,806		66,806
	-	1,337,036
<u>66,806</u>	<u>-</u>	<u>1,403,842</u>
<u>578,672</u>	<u>594,091</u>	<u>3,900,761</u>
(74,331)	344,882	411,492
421,898	357,376	7,339,991
<u>\$ 347,567</u>	<u>\$ 702,258</u>	<u>\$ 7,751,483</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	751 Motor Pool	752 Print Shop	753 Risk Management
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 12,385	\$ 679,647	\$ 1,608,813
Total Operating Revenues	<u>12,385</u>	<u>679,647</u>	<u>1,608,813</u>
OPERATING EXPENSES:			
Payroll Costs		169,951	407,521
Professional and Contracted Services		112,606	63,696
Supplies and Materials	6,682	319,946	26,373
Other Operating Costs		152	886,885
Depreciation	31,116	54,651	1,140
Total Operating Expenses	<u>37,798</u>	<u>657,306</u>	<u>1,385,615</u>
Operating Income (Loss)	<u>(25,413)</u>	<u>22,341</u>	<u>223,198</u>
NONOPERATING REVENUES (EXPENSES):			
Interest on Capital Lease			
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(25,413)	22,341	223,198
Total Net Position - July 1 (Beginning)	<u>127,668</u>	<u>1,568,244</u>	<u>4,785,620</u>
Total Net Position - June 30 (Ending)	<u><u>102,255</u></u>	<u><u>\$ 1,590,585</u></u>	<u><u>\$ 5,008,818</u></u>

756 Copier Pool	757 Curtis Culwell Center	Total Internal Service Funds
\$ 1,275,910	\$ 1,986,921	\$ 5,563,676
<u>1,275,910</u>	<u>1,986,921</u>	<u>5,563,676</u>
	1,236,592	1,814,064
705,802	849,899	1,732,003
	102,837	455,838
	46,283	933,320
606,163	60,653	753,723
<u>1,311,965</u>	<u>2,296,264</u>	<u>5,688,948</u>
<u>(36,055)</u>	<u>(309,343)</u>	<u>(125,272)</u>
(17,902)		(17,902)
<u>(17,902)</u>	-	<u>(17,902)</u>
(53,957)	(309,343)	(143,174)
401,524	1,011,601	7,894,657
<u>\$ 347,567</u>	<u>\$ 702,258</u>	<u>\$ 7,751,483</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	751 Motor Pool	752 Print Shop	753 Risk Management
Cash Flows from Operating Activities:			
Cash Received from User Charges	\$ 12,385	\$ -	\$ -
Cash Received from Assessments - Other Funds		679,647	1,564,911
Cash Payments to Employees for Services		(169,951)	(407,521)
Cash Payments for Insurance Claims			(148,925)
Cash Payments for Suppliers	(6,682)	(323,397)	(38,762)
Cash Payments for Other Operating Expenses		(152)	(886,885)
Cash Payments for Prof. and Contracted Services	-	(112,606)	(63,696)
Net Cash Provided by (Used for) Operating Activities	5,703	73,541	19,122
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets		(85,322)	
Capital Lease Payments			
Capital Lease Interest Expense	-		-
Net Cash Provided by (Used for) Capital Financing Activities	-	(85,322)	-
Net Increase (Decrease) in Cash and Cash Equivalents	5,703	(11,781)	19,122
Cash and Cash Equivalents at Beginning of the Year:	86,292	1,420,871	7,623,814
Cash and Cash Equivalents at the End of the Year:	\$ 91,995	\$ 1,409,090	\$ 7,642,936
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss):	\$ (25,413)	\$ 22,341	\$ 223,198
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	31,116	54,651	1,140
Assets and Liabilities:			
(Increase) Decrease in Other Receivables		(2,062)	(43,902)
Increase (Decrease) in Accounts Payable		(1,389)	(12,389)
Increase (Decrease) in Accrued Wages Payable			
Increase (Decrease) in Unearned Revenue			
Increase (Decrease) in Claims Liability	-		(148,925)
Net Cash Provided by (Used for) Operating Activities	\$ 5,703	\$ 73,541	\$ 19,122

756 Copier Pool	757 Curtis Culwell Center	Total Internal Service Funds
\$ 1,275,910	\$ 1,069,670	\$ 2,357,965
	1,000,000	3,244,558
	(1,236,581)	(1,814,053)
	(47,698)	(148,925)
	(46,283)	(416,539)
<u>(1,496,852)</u>	<u>(849,899)</u>	<u>(2,523,053)</u>
<u>(220,942)</u>	<u>(110,791)</u>	<u>(233,367)</u>
	(59,207)	(144,529)
(505,680)		(505,680)
<u>(17,902)</u>	<u>-</u>	<u>(17,902)</u>
<u>(523,582)</u>	<u>(59,207)</u>	<u>(668,111)</u>
(744,524)	(169,998)	(901,478)
1,266,655	1,112,436	11,510,068
<u>\$ 522,131</u>	<u>\$ 942,438</u>	<u>\$ 10,608,590</u>
\$ (36,055)	\$ (309,343)	\$ (125,272)
606,163	60,653	753,723
	(9,029)	(54,993)
(791,050)	55,139	(749,689)
	11	11
	91,778	91,778
		(148,925)
<u>\$ (220,942)</u>	<u>\$ (110,791)</u>	<u>\$ (233,367)</u>

CUSTODIAL FUNDS

Custodial funds are established to account for assets received and held by the District in the capacity of trustee, agent, or custodian. Expenditures are made only in accordance with the purpose for which assets are received.

Student Activity Custodial Fund accounts for the receipt and disbursement of monies from student activity organizations.

Other Activity Custodial Fund accounts for the receipt and disbursement of monies from employee activity groups and fundraisers for outside charitable groups/scholarships.

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2021

Exhibit H-4

	Student Activity Funds	Other Activity Funds	Total
ASSETS			
Cash and Cash Equivalents	\$ 368,957	\$ 185,178	\$ 554,135
Total Assets	368,957	185,178	554,135
LIABILITIES			
Accounts Payable	19,928	10,141	30,069
Total Liabilities	19,928	10,141	30,069
NET POSITION			
Restricted for student scholarships and other activities	349,029	175,037	524,066
Total Net Position	\$ 349,029	\$ 175,037	\$ 524,066

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit H-5

	Student Activity Funds	Other Activity Funds	Total
ADDITIONS			
Activity fund revenues	\$ 221,395	\$ 150,992	\$ 372,387
Total Additions	221,395	150,992	372,387
DEDUCTIONS			
Activity fund expenses	291,205	162,750	453,955
Total Deductions	291,205	162,750	453,955
CHANGE IN NET POSITION	(69,810)	(11,758)	(81,568)
Net position - beginning of year	-	-	-
Prior period adjustment	418,839	186,795	605,634
Net position - beginning, as restated	418,839	186,795	605,634
Net position - end of year	\$ 349,029	\$ 175,037	\$ 524,066

Required TEA Schedules Section

GARLAND INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED JUNE 30, 2021

Last Ten Years Ended June 30	1		2	3	10
	Tax Rates			Net Assessed/Appraised Value For School Tax Purposes **	Beginning Balance 7/1/2020
	Maintenance	Debt Service			
2012 and prior years	various	various		various	\$ 955,410
2013	\$ 1.0400	\$ 0.2133		\$ 12,971,711,641	127,002
2014	1.0400	0.2133		13,064,995,612	139,717
2015	1.0400	0.2133		13,678,153,355	170,357
2016	1.0400	0.3133		14,001,530,407	187,306
2017	1.0400	0.4200		15,362,186,673	410,511
2018	1.0400	0.4200		17,823,103,077	572,772
2019	1.0400	0.4200		19,701,949,552	1,160,849
2020	0.9700	0.4200		21,361,636,951	4,514,794
2021	0.9513	0.3050		23,585,754,912	
					\$ 8,238,718

20 Current Year's Total Levy ***	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments ****	50 Ending Balance 6/30/2021
\$ -	\$ 91,019	\$ 19,233	\$ (7,007)	\$ 838,151
	8,605	1,765	-	116,632
	10,998	2,256	(659)	125,804
	15,052	3,087	(5,618)	146,600
	16,423	4,947	(9,506)	156,430
	26,633	10,756	(182,763)	190,359
	58,360	23,568	(20,290)	470,554
	220,575	89,078	(159,355)	691,841
	1,738,233	711,470	(919,002)	1,146,089
<u>282,599,717</u>	<u>211,122,711</u>	<u>67,656,230</u>	<u>100,479</u>	<u>3,921,255</u>
<u>\$ 282,599,717</u>	<u>\$ 213,308,609</u>	<u>\$ 68,522,390</u>	<u>\$ (1,203,721)</u>	<u>\$ 7,803,715</u>

** Net Assessed Values takes the DCAD July supplement value and adjusts for district calculated frozen ceilings and prorations.

*** Levy is net of all DCAD supplements for the year since values were certified by the Tax Office.

**** Adjustments include district calculated Ag rollbacks.

GARLAND 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, 2021

Exhibit J-2

Data Control Codes	<u>Budgeted Amounts</u>		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 71,955,387	\$ 67,154,095	\$ 68,863,750	\$ 1,709,655
5800 State Program Revenues			1,165,587	1,165,587
5900 Federal Program Revenues	470,994	470,994	472,669	1,675
5020 Total Revenues	<u>72,426,381</u>	<u>67,625,089</u>	<u>70,502,006</u>	<u>2,876,917</u>
EXPENDITURES:				
Current:				
Debt Service:				
0071 Debt Service-Principal on Long Term Debt	42,230,000	43,075,000	43,075,000	-
0072 Debt Service-Interest on Long Term Debt	<u>23,795,000</u>	<u>23,245,000</u>	<u>22,423,626</u>	<u>821,374</u>
6030 Total Expenditures	<u>66,025,000</u>	<u>66,320,000</u>	<u>65,498,626</u>	<u>821,374</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	6,401,381	1,305,089	5,003,380	3,698,291
OTHER FINANCING SOURCES (USES):				
7901 Issuance of Refunding Bonds			47,830,000	
7916 Premium on Issuance of Bonds			6,685,636	
8940 Payment to Refunded Bond Escrow Agent			(54,134,959)	
7080 Total Other Financing Sources (Uses)			<u>380,677</u>	
1200 Net Change in Fund Balances	6,401,381	1,305,089	5,384,057	
0100 Fund Balance - July 1 (Beginning)	<u>71,517,196</u>	<u>71,517,196</u>	<u>71,517,196</u>	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 77,918,577</u>	<u>\$ 72,822,285</u>	<u>\$ 76,901,253</u>	<u>\$ 3,698,291</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)
STATISTICAL SECTION

This part of the Garland Independent School District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Financial Trends	80-93
These schedules contain trend information to help the reader understand how the government’s financial performance and wellbeing have changed over time.	
Revenue Capacity	94-97
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	98-100
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	
Demographic and Economic Information	101-103
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information	104-115
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

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

GARLAND INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Governmental net position				
Net investment in capital assets	\$ 150,416,165	\$ 157,656,333	\$ 162,891,590	\$ 173,975,555
Restricted				
Food Service	5,647,011			2,753,549
Debt Service	5,852,827	5,689,844	5,841,400	9,556,908
Grant Funds	4,480,338	7,594,789	9,155,138	3,926,659
Construction			6,614,366	
Unrestricted	140,509,657	157,811,060	163,033,042	104,414,137
Total governmental net position	<u>306,905,998</u>	<u>328,752,026</u>	<u>347,535,536</u>	<u>294,626,808</u>
Business-type net position				
Net investment in capital assets	14,180	11,601	9,023	6,445
Unrestricted	<u>(127,504)</u>	<u>(126,232)</u>	<u>(130,792)</u>	<u>(6,661)</u>
Total Business-type net position	<u>(113,324)</u>	<u>(114,631)</u>	<u>(121,769)</u>	<u>(216)</u>
Total net position				
Net investment in capital assets	150,430,345	157,667,934	162,900,613	173,982,000
Restricted				
Food Service	5,647,011			2,753,549
Debt Service	5,852,827	5,689,844	5,841,400	9,556,908
Grant Funds	4,480,338	10,133,840	9,155,138	3,926,659
Construction			6,614,366	
Unrestricted	140,382,153	155,145,777	162,902,250	104,407,476
Total net position	<u>\$ 306,792,674</u>	<u>\$ 328,637,395</u>	<u>\$ 347,413,767</u>	<u>\$ 294,626,592</u>

Source: The Statement of Net Position for the Garland Independent School District

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 186,102,148	\$ 230,598,662	\$ 291,998,041	\$ 339,849,519	\$ 352,783,669	\$ 344,843,626
4,543,133	6,624,529	10,265,688	13,250,762	64,641,353	71,019,364
8,043,823	13,172,040	22,490,186	42,716,002	1,648,765	326,321
11,563,497	17,492,426	14,140,160	1,728,391	7,588,492	3,861,592
90,509,434	88,318,803	(177,634,686)	(135,726,703)	(125,543,118)	(125,598,808)
<u>300,762,035</u>	<u>356,206,460</u>	<u>161,259,389</u>	<u>261,817,971</u>	<u>301,119,161</u>	<u>294,452,095</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
186,102,148	230,598,662	291,998,041	339,849,519	352,783,669	344,843,626
4,543,133	6,624,529	10,265,688	13,250,762	64,641,353	71,019,364
8,043,823	13,172,040	22,490,186	42,716,002	1,648,765	326,321
11,563,497	17,492,426	14,140,160	1,728,391	7,588,492	3,861,592
90,509,434	88,318,803	(177,634,686)	(135,726,703)	(125,543,118)	(125,598,808)
<u>\$ 300,762,035</u>	<u>\$ 356,206,460</u>	<u>\$ 161,259,389</u>	<u>\$ 261,817,971</u>	<u>\$ 301,119,161</u>	<u>\$ 294,452,095</u>

**GARLAND INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities				
Instruction	\$ 272,825,108	\$ 277,499,490	\$ 293,173,717	\$ 302,936,954
Instructional resource and media services	7,368,582	7,672,838	7,897,014	8,240,779
Curriculum and staff development services	8,514,256	10,248,468	11,848,699	13,966,276
Instructional leadership	8,365,560	8,659,257	9,444,098	9,476,390
School leadership	26,527,981	27,137,920	28,022,164	29,359,186
Guidance, counseling, and evaluation services	16,939,997	17,824,829	19,318,654	21,727,176
Social work services	894,164	942,133	1,339,419	1,253,128
Health services	5,329,439	5,446,268	6,228,989	6,545,294
Student transportation	10,643,267	11,379,383	12,966,006	13,717,097
Food Service	26,033,888	27,886,434	31,285,050	32,701,421
Cocurricular/Extracurricular activities	7,686,728	8,228,081	8,556,794	9,077,240
General administration	10,252,916	11,631,845	15,141,046	15,338,293
Facilities maintenance and operations	35,728,649	36,004,303	38,454,227	39,578,630
Security and monitoring services	3,667,174	3,812,056	4,100,656	4,348,891
Data processing services	21,287,235	14,343,551	15,490,524	24,346,683
Community services	3,086,571	2,540,248	3,198,004	3,462,272
Interest on long-term debt	691,607	14,113,757	11,926,352	13,571,186
Bond issuance cost and fees	229,464	23,786	176,140	1,486,831
Facilities repairs and maintenance	1,511,554	4,540,264	5,364,055	1,605,080
Payments to Fiscal Agent of Shared Services Arrangement	69,224	64,011	74,889	81,790
Payments to Juvenile Justice Alternative Education Programs	45,714	5,742	4,824	10,716
Intergovernmental Charges	658,438	664,700	662,918	667,640
Total governmental activities expenses	<u>468,357,516</u>	<u>490,669,364</u>	<u>524,674,239</u>	<u>553,498,953</u>
Business-type activities				
Concessions	247,054	261,762	259,754	282,724
Total business-type activities expenses	<u>247,054</u>	<u>261,762</u>	<u>259,754</u>	<u>282,724</u>
Total expenses	<u>\$ 468,604,570</u>	<u>\$ 490,931,126</u>	<u>\$ 524,933,993</u>	<u>\$ 553,781,677</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	\$ 244,414	\$ 159,781	\$ 428,438	\$ 419,763
Curriculum and staff development	375			
Food service	9,011,473	8,939,886	9,276,095	9,272,764
Cocurricular/Extracurricular activities	5,096,626	5,410,308	5,261,990	4,292,064
Plant maintenance and operations	268,172	177,533	151,719	184,070
Security and monitoring services				
Community services				
Operating grants and contributions	91,587,206	80,546,373	90,430,370	98,476,190
Total governmental entities program revenue	<u>106,208,266</u>	<u>95,233,881</u>	<u>105,548,612</u>	<u>112,644,851</u>
Business-type activities				
Charges for services				
Concessions	245,953	260,455	252,564	271,241
Total governmental entities business-type revenue	<u>245,953</u>	<u>260,455</u>	<u>252,564</u>	<u>271,241</u>
Total program revenues	<u>\$ 106,454,219</u>	<u>\$ 95,494,336</u>	<u>\$ 105,801,176</u>	<u>\$ 112,916,092</u>
Net Expense				
Governmental activities	\$ (362,149,250)	\$ (395,435,483)	\$ (419,125,627)	\$ (440,854,102)
Business-type activities	(1,101)	(1,307)	(7,190)	(11,483)
Total net expenses	<u>\$ (362,150,351)</u>	<u>\$ (395,436,790)</u>	<u>\$ (419,132,817)</u>	<u>\$ (440,865,585)</u>

Source: The Statement of Activities for the Garland Independent School District

							Fiscal Year						
		2016		2017		2018		2019		2020		2021	
\$	326,193,632	\$	319,232,860	\$	207,916,878	\$	328,115,753	\$	358,104,960	\$	369,188,755		
	8,476,668		8,397,550		6,073,555		8,207,096		9,157,876		9,072,406		
	15,289,822		15,833,458		12,133,420		16,034,427		20,666,755		21,989,875		
	9,404,380		9,239,512		6,132,427		8,474,957		10,023,316		10,519,666		
	31,430,176		31,663,652		21,293,586		30,139,683		36,632,987		35,831,035		
	23,134,956		23,589,312		16,606,572		23,382,685		27,630,458		27,513,261		
	1,057,374		800,029		595,506		871,175		1,247,338		1,019,642		
	6,867,464		6,893,327		4,573,637		6,964,692		7,931,437		8,993,248		
	15,154,555		15,456,729		14,983,937		15,440,622		19,181,850		20,286,452		
	31,575,592		31,390,062		27,716,685		29,264,833		33,165,956		27,247,110		
	10,327,317		9,046,761		12,441,464		13,093,002		13,774,426		13,408,253		
	15,353,186		16,081,858		11,846,283		13,725,592		17,326,424		17,617,058		
	40,912,661		38,997,523		37,334,029		42,209,307		43,253,497		60,144,444		
	6,318,189		5,970,986		5,961,321		7,776,293		8,820,570		7,933,703		
	40,659,486		21,610,633		13,282,338		19,561,761		19,680,574		27,680,360		
	4,063,974		3,939,824		2,623,819		3,393,311		3,552,435		3,442,178		
	18,083,049		22,221,597		22,796,188		18,848,982		21,321,564		18,387,683		
	434,984		1,050,341		680,874		197,174		291,142		-		
	1,984,797		19,131		929,320		131,639		166,576		16,257		
	78,603		82,925		103,090		117,609		134,796		179,365		
	30,168		25,536		15,996		10,944		28,764		7,446		
	692,137		745,631		835,727		925,839		928,362		963,769		
	<u>607,523,170</u>		<u>582,289,237</u>		<u>426,876,652</u>		<u>586,887,376</u>		<u>653,022,063</u>		<u>681,441,966</u>		
	213		-		-		-		-		-		
	<u>213</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		
\$	<u>607,523,383</u>	\$	<u>582,289,237</u>	\$	<u>426,876,652</u>	\$	<u>586,887,376</u>	\$	<u>653,022,063</u>	\$	<u>681,441,966</u>		
\$	477,147	\$	797,456	\$	1,078,595	\$	1,004,136	\$	710,330	\$	97,175		
	7,729,332		7,194,211		7,105,515		5,907,159		4,687,943		774,760		
	4,974,632		4,752,685		4,744,058		4,656,066		3,508,725		1,037,409		
	209,727		329,971		152,110		145,580		121,935		168,180		
	<u>114,478,252</u>		<u>111,116,480</u>		<u>1,262,569</u>		<u>112,798,531</u>		<u>121,875,947</u>		<u>135,181,539</u>		
	<u>127,869,090</u>		<u>124,190,803</u>		<u>14,342,847</u>		<u>124,511,472</u>		<u>130,904,880</u>		<u>137,259,063</u>		
	-		-		-		-		-		-		
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		
\$	<u>127,869,090</u>	\$	<u>124,190,803</u>	\$	<u>14,342,847</u>	\$	<u>124,511,472</u>	\$	<u>130,904,880</u>	\$	<u>137,259,063</u>		
\$	(479,654,080)	\$	(458,098,434)	\$	(412,533,805)	\$	(462,375,904)	\$	(522,117,183)	\$	(544,182,903)		
	(213)		-		-		-		-		-		
\$	<u>(479,654,293)</u>	\$	<u>(458,098,434)</u>	\$	<u>(412,533,805)</u>	\$	<u>(462,375,904)</u>	\$	<u>(522,117,183)</u>	\$	<u>(544,182,903)</u>		

GARLAND INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Net Expense				
Governmental activities	\$ (362,149,250)	\$ (395,435,483)	\$ (419,125,627)	\$ (440,854,102)
Business-type activities	(1,101)	(1,307)	(7,190)	(11,483)
Total net expenses	<u>\$ (362,150,351)</u>	<u>\$ (395,436,790)</u>	<u>\$ (419,132,817)</u>	<u>\$ (440,865,585)</u>
General Revenues				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 136,593,849	\$ 136,374,770	\$ 137,162,011	\$ 143,261,249
Property taxes levied for debt service	27,998,477	27,925,169	28,090,094	29,406,886
State Aid Formula Grants	233,715,404	254,240,046	270,830,210	278,214,031
Grants and contributions not restricted	4,482,295	268,714	504,719	457,688
Investment earnings	286,150	278,338	96,855	155,049
Miscellaneous	1,362,616	1,247,836	896,992	1,496,153
Transfers in (out) from business-type activities				(132,561)
Special Items:				
Gain (Loss) on disposal of assets	(877,204)	272,557	256,242	265,904
Liquidation of Claims Liability (Note 10)	703,742			
Extraordinary Items:				
Insurance recoveries	617,430	78,284	72,014	
Total governmental general revenues	<u>404,882,759</u>	<u>420,685,714</u>	<u>437,909,137</u>	<u>453,124,399</u>
Business-type activities				
Investment earnings			52	475
Transfers in/(out) to governmental activities	-	-	-	132,561
Total business-type general revenues	<u>-</u>	<u>-</u>	<u>52</u>	<u>133,036</u>
Total primary government general revenues	<u>\$ 404,882,759</u>	<u>\$ 420,685,714</u>	<u>\$ 437,909,189</u>	<u>\$ 453,257,435</u>
Change in Net Position				
Governmental activities	\$ 42,733,509	\$ 25,250,231	\$ 18,783,510	\$ 12,270,297
Business-type activities	(1,101)	(1,307)	(7,138)	121,553
Total primary government	<u>\$ 42,732,408</u>	<u>\$ 25,248,924</u>	<u>\$ 18,776,372</u>	<u>\$ 12,391,850</u>

Source: The Statement of Activities for the Garland Independent School District

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	(479,654,080)	\$	(458,098,434)	\$	(412,533,805)	\$	(462,375,904)	\$	(522,117,183)	\$	(544,182,903)
	(213)		-								
\$	(479,654,293)	\$	(458,098,434)	\$	(412,533,805)	\$	(462,375,904)	\$	(522,117,183)	\$	(544,182,903)
\$	147,147,310	\$	160,752,789		177,189,925		196,893,187		199,764,239		214,437,931
	44,156,322		64,727,260		71,576,774		79,322,278		86,252,334		68,918,356
	290,555,354		280,753,101		274,441,570		258,315,850		264,547,309		262,806,481
	1,614,381		1,697,891		2,054,402		1,734,601		1,863,128		3,713,285
	1,152,599		2,981,631		6,653,988		8,228,220		6,333,387		368,376
	917,065		2,252,773		1,899,433		1,215,452		1,863,505		798,189
	(429)		-								
	246,705		377,414		553,941		1,222,636		794,471		283,574
	<u>485,789,307</u>		<u>513,542,859</u>		<u>534,370,033</u>		<u>546,932,224</u>		<u>561,418,373</u>		<u>551,326,192</u>
	429		-								
	429		-								
\$	<u>485,789,736</u>	\$	<u>513,542,859</u>	\$	<u>534,370,033</u>	\$	<u>546,932,224</u>	\$	<u>561,418,373</u>	\$	<u>551,326,192</u>
\$	6,135,227	\$	55,444,425	\$	121,836,228	\$	84,556,320	\$	39,301,190	\$	7,143,289
	216		-		-		-		-		-
\$	<u>6,135,443</u>	\$	<u>55,444,425</u>	\$	<u>121,836,228</u>	\$	<u>84,556,320</u>	\$	<u>39,301,190</u>	\$	<u>7,143,289</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year		
	2012	2013	2014
General Fund			
Non-Spendable - Inventories	\$ 1,108,597	\$ 922,154	\$ 841,310
Non-Spendable - Prepaid Items	882,579	1,742,306	1,947,959
Committed - Capital Expenditures for Equipment	2,022,659		
Committed - Self-Insurance	8,000,000	8,000,000	8,000,000
Assigned - Other	-	-	-
Unassigned	114,372,129	132,544,119	143,786,285
	<u>\$ 126,385,964</u>	<u>\$ 143,208,579</u>	<u>\$ 154,575,554</u>
All Other Governmental Funds			
Non-Spendable - Inventories	1,990,416	2,462,498	2,022,565
Non-Spendable - Prepaid Items		76,553	877,145
Restricted - Grant Funds	8,136,933	7,594,789	6,840,334
Restricted - Capital Acquisitions and Contractual Obligations	67,919,393	18,796,258	6,614,366
Restricted - Retirement of Long-term Debt	5,985,877	5,825,655	6,008,006
Committed - Local Special Revenue Fund	2,219,884	2,490,321	3,096,524
Assigned - Construction and Capital Expenditures	17,569,447	20,117,625	23,176,096
	<u>\$ 103,821,950</u>	<u>\$ 57,363,699</u>	<u>\$ 48,635,036</u>

Source: The Balance Sheet of Governmental funds for the Garland Independent School District

Fiscal Year						
2015	2016	2017	2018	2019	2020	2021
\$ 898,601	\$ 985,030	\$ 890,698	\$ 907,053	\$ 925,912	\$ 998,377	\$ 1,117,564
1,453,566	1,044,039	-	-	-	-	-
8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	7,000,000
-	-	-	-	673,486	587,312	587,312
150,065,060	162,004,045	178,872,613	184,480,205	220,271,987	257,899,782	262,239,740
<u>\$ 160,417,227</u>	<u>\$ 172,033,114</u>	<u>\$ 187,763,311</u>	<u>\$ 193,387,258</u>	<u>\$ 229,871,385</u>	<u>\$ 267,485,471</u>	<u>\$ 270,944,616</u>
1,665,298	2,049,499	1,906,372	2,069,511	1,507,585	1,648,765	1,822,884
1,775,222	1,655,335	-	-	-	-	-
3,487,530	12,437,623	22,210,583	22,336,337	13,471,568	13,603,962	4,095,812
183,774,730	97,915,261	158,771,545	126,954,526	75,272,373	26,326,966	18,841,281
9,961,155	8,345,668	13,716,951	22,925,084	50,239,546	71,517,196	76,901,253
2,321,589	2,330,898	2,493,805	2,778,486	3,088,140	3,087,876	3,145,316
22,091,992	21,289,184	15,501,859	6,096,195	23,960,584	19,528,565	16,725,738
<u>\$ 225,077,516</u>	<u>\$ 146,023,468</u>	<u>\$ 214,601,115</u>	<u>\$ 183,160,139</u>	<u>\$ 167,539,796</u>	<u>\$ 135,713,330</u>	<u>\$ 121,532,284</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Local sources:				
Property taxes	\$ 165,275,525	\$ 164,584,996	\$ 165,665,203	\$ 172,925,921
Earnings on Investments	286,945	281,502	99,336	151,757
Other local sources	17,196,383	16,155,364	17,532,397	16,158,382
Total local sources	<u>182,758,853</u>	<u>181,021,862</u>	<u>183,296,936</u>	<u>189,236,060</u>
State sources:				
Per Capita	\$ 13,688,849	\$ 25,588,455	\$ 14,229,508	\$ 14,300,164
Foundation School Program	220,026,555	228,651,591	256,600,702	263,762,268
On-behalf Payments	18,391,316	17,673,118	20,763,720	21,863,803
Other State Sources	16,285,452	11,739,565	17,349,345	20,619,462
Total state sources	<u>268,392,172</u>	<u>283,652,729</u>	<u>308,943,275</u>	<u>320,545,697</u>
Federal sources:	60,791,256	51,107,017	51,334,853	56,740,087
Total revenues	<u>\$ 511,942,281</u>	<u>\$ 515,781,608</u>	<u>\$ 543,575,064</u>	<u>\$ 566,521,844</u>

Source: The Statement of Revenues, Expenditures, and changes in fund Balance for the Garland Independent School District

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 191,213,265	\$ 225,136,669	\$ 248,652,345	\$ 274,636,369	\$ 285,771,808	\$ 283,024,048	
1,185,673	3,097,611	7,062,195	8,894,333	6,722,485	368,376	
15,031,358	15,651,100	15,063,980	13,259,911	11,174,237	3,170,917	
<u>207,430,296</u>	<u>243,885,380</u>	<u>270,778,520</u>	<u>296,790,613</u>	<u>303,668,530</u>	<u>286,563,341</u>	
\$ 9,745,185	\$ 21,076,581	\$ 11,062,727	\$ 25,704,088	\$ 16,674,101	\$ 25,176,938	
280,665,610	259,534,696	263,378,843	232,611,762	247,846,209	237,629,543	
21,873,710	21,332,244	23,208,664	19,313,463	27,012,627	26,602,024	
25,246,920	26,644,134	12,131,942	6,560,794	12,314,782	3,159,986	
<u>337,531,425</u>	<u>328,587,655</u>	<u>309,782,176</u>	<u>284,190,107</u>	<u>303,847,719</u>	<u>292,568,491</u>	
56,398,403	60,268,133	67,513,974	67,360,453	62,253,721	75,318,252	
<u>\$ 601,360,124</u>	<u>\$ 632,741,168</u>	<u>\$ 648,074,670</u>	<u>\$ 648,341,173</u>	<u>\$ 669,769,970</u>	<u>\$ 654,450,084</u>	

GARLAND INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Expenditures				
Governmental funds				
11 Instruction	\$ 265,783,902	\$ 264,641,540	\$ 278,396,221	\$ 292,682,387
12 Instructional resources and media services	6,907,353	7,200,650	7,414,899	7,635,828
13 Curriculum and staff development services	8,546,167	10,218,104	11,821,331	14,150,661
Total function 10	<u>281,237,422</u>	<u>282,060,294</u>	<u>297,632,451</u>	<u>314,468,876</u>
21 Instructional leadership	8,087,798	8,548,600	9,136,533	9,267,235
23 School leadership	26,327,408	26,963,180	27,735,396	29,106,054
Total function 20	<u>34,415,206</u>	<u>35,511,780</u>	<u>36,871,929</u>	<u>38,373,289</u>
31 Guidance, counseling, and evaluation services	16,815,753	17,725,446	19,203,404	21,512,159
32 Social work services	894,034	939,051	1,346,199	1,338,547
33 Health services	5,240,443	5,346,833	6,132,616	6,389,549
34 Student transportation	12,375,738	12,992,842	14,052,926	15,163,237
35 Food service	24,873,220	27,046,189	30,293,793	31,790,346
36 Extracurricular activities	6,643,953	7,128,827	8,007,892	7,795,306
Total function 30	<u>66,843,141</u>	<u>71,179,188</u>	<u>79,036,830</u>	<u>83,989,144</u>
41 General administration	9,994,137	10,799,316	14,962,000	15,054,618
Total function 40	<u>9,994,137</u>	<u>10,799,316</u>	<u>14,962,000</u>	<u>15,054,618</u>
51 Facilities maintenance and operations	34,621,542	34,104,435	37,405,228	37,643,590
52 Security and monitoring services	3,459,277	3,571,740	3,821,316	4,072,994
53 Data processing services	21,004,438	11,129,867	12,235,673	21,405,047
Total function 50	<u>59,085,257</u>	<u>48,806,042</u>	<u>53,462,217</u>	<u>63,121,631</u>
61 Community service	2,229,787	1,663,945	2,302,771	2,695,992
Total function 60	<u>2,229,787</u>	<u>1,663,945</u>	<u>2,302,771</u>	<u>2,695,992</u>
71 Debt service				
Principal on long-term debt	22,555,971	26,329,896	25,368,218	25,765,010
Interest on long-term debt	15,008,901	16,053,653	14,637,796	15,807,117
Bond issuance costs and fees	2,098,437	23,786	176,140	1,486,831
Total function 70	<u>39,663,309</u>	<u>42,407,335</u>	<u>40,182,154</u>	<u>43,058,958</u>
81 Facilities acquisition/construction	14,061,387	52,662,091	15,407,928	20,168,396
Total function 80	<u>14,061,387</u>	<u>52,662,091</u>	<u>15,407,928</u>	<u>20,168,396</u>
93 Payments related to Shared Services Arrangements	69,224	64,011	74,889	81,790
95 Payments to Juvenile Justice Alternative	45,714	5,742	4,824	10,716
99 Other Intergovernmental Charges	658,438	664,700	662,918	667,640
Total function 90	<u>773,376</u>	<u>734,453</u>	<u>742,631</u>	<u>760,146</u>
Total expenditures	<u>\$ 508,303,022</u>	<u>\$ 545,824,444</u>	<u>\$ 540,600,911</u>	<u>\$ 581,691,050</u>
Debt service as a percentage of noncapital expenditures	7.8%	8.6%	7.6%	7.4%

Source: Statement of Revenues, Expenditures, and changes in Fund Balance - Governmental Funds for the Garland Independent School District

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 295,875,044	\$ 296,735,311	\$ 311,197,039	\$ 289,498,626	\$ 313,376,748	\$ 332,557,093
7,976,025	7,715,713	7,823,749	7,217,229	8,024,543	8,101,282
14,955,504	15,302,908	17,104,803	14,656,530	18,605,901	19,906,532
318,806,573	319,753,932	336,125,591	311,372,385	340,007,192	360,564,907
8,909,833	8,745,559	9,233,263	7,525,112	8,904,397	9,406,788
30,227,932	30,381,505	31,796,289	27,282,621	32,873,981	32,935,531
39,137,765	39,127,064	41,029,552	34,807,733	41,778,378	42,342,319
22,461,110	22,844,915	24,485,165	21,300,563	24,888,743	25,585,408
1,045,330	791,786	745,589	830,424	1,198,380	890,595
6,618,661	6,603,999	6,981,160	6,280,318	7,144,408	8,353,605
16,638,683	16,363,472	17,567,596	12,804,688	18,520,848	20,589,514
29,920,357	29,606,960	29,549,801	27,001,019	33,679,845	24,518,211
9,052,990	8,518,724	11,429,637	10,809,099	10,990,385	10,963,157
85,737,131	84,729,856	90,758,948	79,026,111	96,422,609	90,900,490
14,799,780	15,414,043	15,222,824	12,657,677	16,007,105	16,481,795
14,799,780	15,414,043	15,222,824	12,657,677	16,007,105	16,481,795
38,407,218	38,255,742	40,824,190	32,985,083	39,966,515	48,359,044
6,123,148	5,720,961	9,668,579	7,706,790	8,733,696	7,751,435
48,340,584	19,626,462	24,237,927	18,426,974	18,446,887	20,946,771
92,870,950	63,603,165	74,730,696	59,118,847	67,147,098	77,057,250
3,059,647	2,923,205	2,653,384	2,419,362	2,329,983	2,324,494
3,059,647	2,923,205	2,653,384	2,419,362	2,329,983	2,324,494
38,298,252	48,531,442	47,726,335	41,850,089	43,165,629	43,557,517
20,492,629	25,536,628	26,651,612	16,118,574	24,383,826	22,423,626
434,984	1,050,341	680,874	973,543	291,142	-
59,225,865	75,118,411	75,058,821	58,942,206	67,840,597	65,981,143
54,519,046	118,361,627	127,989,717	69,907,342	38,591,012	9,043,998
54,519,046	118,361,627	127,989,717	69,907,342	38,591,012	9,043,998
78,603	82,925	103,090	117,609	134,796	179,365
30,168	25,536	15,996	10,944	28,764	7,446
692,137	745,631	835,727	925,839	928,362	963,769
800,908	854,092	954,813	1,054,392	1,091,922	1,150,580
\$ 668,957,665	\$ 719,885,395	\$ 764,524,346	\$ 629,306,055	\$ 671,215,896	\$ 665,846,976
8.9%	12.5%	12.1%	10.4%	10.8%	10.1%

GARLAND INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Excess of revenues over (under) expenditures	\$ 3,639,259	\$ (30,042,836)	\$ 2,974,153	\$ (15,169,206)
Other Financing Sources (Uses)				
Capital related debt issued (Bonds)	12,485,000			193,320,000
Refunding Bonds Issued	177,560,213		26,725,000	
Sale of real or personal property	186,936	271,558	247,181	265,904
Non-Current Loan Proceeds				
Transfers in	10,939,244	9,990,338	12,000,000	12,880,477
Premium or Discount on Issuance of Bonds	31,307,398		1,574,982	16,754,162
Prepaid Interest				
Other Resources	41,262	103,005	-	
Insurance Recovery	7,956	42,299	37,855	
Transfers out	(10,009,462)	(10,000,000)	(12,000,000)	(13,000,000)
Payments to refunded bond escrow agents	(208,224,256)	-	(28,920,859)	(12,767,184)
Total other financing sources (uses)	<u>14,294,291</u>	<u>407,200</u>	<u>(335,841)</u>	<u>197,453,359</u>
Extraordinary Item - Insurance Recovery				
Net change in fund balances	<u>\$ 17,933,550</u>	<u>\$ (29,635,636)</u>	<u>\$ 2,638,312</u>	<u>\$ 182,284,153</u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds for the Garland Independent School District

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (67,597,541)	\$ (87,144,227)	\$ (116,449,676)	\$ 19,035,117	\$ (1,445,926)	\$ (11,396,892)
	150,250,000	78,565,000			
40,560,000			14,525,000	28,420,000	47,830,000
371,262	377,414	551,166	1,229,284	794,472	294,314
9,305,830	10,978,893	13,600,000	37,284,586	20,380,497	5,814,949
6,405,364	20,810,175	11,539,604	984,675	2,538,455	6,685,636
21,799	14,483	-	404,544	6,170,152	-
(9,243,249)	(10,978,894)	(13,623,123)	(37,284,586)	(20,380,497)	(5,814,949)
(47,261,626)	-	-	(15,314,836)	(30,689,533)	(54,134,959)
159,380	171,452,071	90,632,647	1,828,667	7,233,546	674,991
\$ (67,438,161)	\$ 84,307,844	\$ (25,817,029)	\$ 20,863,784	\$ 5,787,620	\$ (10,721,901)

GARLAND INDEPENDENT SCHOOL DISTRICT
 APPRAISED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-8

Fiscal Year	Appraised Value					Total Estimated Taxable Value	Total Direct Rate(1)
	Commercial Real Property	Residential Real Property	Business Personal Property	Less: Exemptions			
2012	\$ 4,142,736,980	\$ 9,713,208,510	\$ 1,921,285,080	\$ 2,691,665,901	\$ 13,085,564,669	\$ 1.2533	
2013	4,175,283,820	9,536,561,190	1,966,053,360	2,706,186,729	12,971,711,641	1.2533	
2014	4,366,481,800	9,530,491,010	1,901,121,140	2,733,098,338	13,064,995,612	1.2533	
2015	4,596,551,430	9,917,340,240	1,953,899,600	2,789,637,915	13,678,153,355	1.2533	
2016	4,912,097,630	10,770,670,000	1,973,566,770	3,654,803,993	14,001,530,407	1.3533	
2017	5,237,181,850	12,432,249,640	2,241,206,040	4,548,450,857	15,362,186,673	1.4600	
2018	5,555,397,220	13,884,449,680	2,402,031,290	4,018,775,113	17,823,103,077	1.4600	
2019	6,099,742,420	15,822,057,720	2,434,599,740	4,654,450,328	19,701,949,552	1.4600	
2020	6,775,777,870	16,942,990,930	2,709,456,950	5,066,588,799	21,361,636,951	1.3900	
2021	7,572,707,190	18,133,235,407	2,555,486,650	4,675,674,335	23,585,754,912	1.2563	

Source: Appraised Value - Dallas Central Appraisal District
 Total Direct Rate - District Information

Notes:

- * The Garland ISD Tax Office is the collecting agent for the District
- * Property is appraised at full market value. Properties are reappraised at least once every three years.
- * Represents total appraised value before exemptions.

(1) Per \$100 of assessed value

GARLAND INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-9

Fiscal Year	Garland Independent School District			Overlapping Rates					
	Maintenance and Operations	Debt Service	Total	City of Garland	Dallas County	City of Rowlett	City of Sachse	City of Dallas	City of Mesquite
2012	\$ 1.0400	\$ 0.2133	\$ 1.2533	\$ 0.7046	\$ 0.6237	\$ 0.7472	\$ 0.7708	\$ 0.7970	\$ 0.6400
2013	1.0400	0.2133	1.2533	0.7046	0.6434	0.7472	0.7708	0.7970	0.6400
2014	1.0400	0.2133	1.2533	0.7046	0.6538	0.7472	0.7708	0.7970	0.6400
2015	1.0400	0.2133	1.2533	0.7046	0.6639	0.7872	0.7708	0.7970	0.6400
2016	1.0400	0.3133	1.3533	0.7046	0.6628	0.7872	0.7573	0.7970	0.6400
2017	1.0400	0.4200	1.4600	0.7046	0.6547	0.7872	0.7573	0.7825	0.6870
2018	1.0400	0.4200	1.4600	0.7046	0.6567	0.7772	0.7473	0.7804	0.6870
2019	1.0400	0.4200	1.4600	0.7046	0.6565	0.7572	0.7200	0.7767	0.7340
2020	0.9700	0.4200	1.3900	0.7696	0.6466	0.7572	0.7200	0.7766	0.7340
2021	0.9513	0.3050	1.2563	0.7696	0.6398	0.7450	0.7200	0.7763	0.7086

Source: Appropriate government entities' tax departments.

Note: Tax rates are per \$1,000 of assessed value.

The District tax rate is set in accordance with the Texas Education Code and Texas Tax Code

GARLAND INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-10

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
BMEF	\$ 216,500,000	1	1.01%	\$ -		
Kraft Foods/ U S Foods	179,373,401	2	0.84%	79,393,237	3	0.61%
WRIA	154,188,850	3	0.72%			
Ragingwire	126,370,820	4	0.59%			
HCc Harmony Hill LLC	120,634,250	5	0.56%			
Walmart/Sams	120,538,890	6	0.56%	130,595,550	1	1.00%
Simon Property Group	97,364,260	7	0.46%	116,341,710	2	0.89%
Oncor	93,920,970	8	0.44%	61,330,690	5	0.47%
Atmos	74,132,900	9	0.35%			
CF Hendry Multifamily	72,489,490	10	0.34%			
Verizon/G.T.E.				67,402,490	4	0.52%
Plastipak Packaging				57,526,341	6	0.44%
S S T Truck				54,892,828	7	0.42%
Landmark at Lakeways				54,845,690	8	0.42%
Engineered Polymer				45,304,752	9	0.35%
Sears Roebuck Co.				42,965,928	10	0.33%
Total	<u>\$ 1,255,513,831</u>		<u>5.53%</u>	<u>\$ 710,599,216</u>		<u>5.45%</u>

Source: Dallas Central Appraisal District.

GARLAND INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR (UNAUDITED)

Exhibit S-11

Fiscal Year Ending	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections other than Current Year	Total Collections to Date	
		Amount (1)	Percentage of Levy	Delinquent Taxes	Amount (2)	Percentage of Levy (3)
2012	\$ 164,001,382	\$ 162,314,401	98.97%	\$ 1,535,285	\$ 163,849,686	99.91%
2013	162,574,462	161,649,499	99.43%	1,111,588	162,761,087	100.11%
2014	163,743,590	163,150,757	99.64%	939,079	164,089,836	100.21%
2015	171,428,296	170,432,734	99.42%	1,113,835	171,546,569	100.07%
2016	189,482,711	188,970,074	99.73%	1,164,457	190,134,531	100.34%
2017	224,287,930	222,388,900	99.15%	1,162,676	223,551,576	99.67%
2018	247,692,044	245,609,092	99.16%	747,395	246,356,487	99.46%
2019	275,024,718	271,302,643	98.65%	2,298,643	273,601,286	99.48%
2020	285,501,471	281,232,708	98.50%	2,449,703	283,682,411	99.36%
2021	282,599,717	278,778,941	98.65%	-	278,778,941	98.65%

Source: Dallas Central Appraisal District and District records.

Notes:

- (1) The Garland ISD Tax Office is the collecting agent for the District
- (2) Total cash collections are total cash net of interest and penalty collections and other judgments
- (3) Total Collections as a percentage of the levy may exceed 100% as a result of the collection of Ag Rollback taxes which do not result in an adjustment of the levy.

GARLAND INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-12

Fiscal Year Ending	Governmental Activities			Total Primary Government	Ratio of Debt to Assessed Value	Outstanding Debt Per Capita
	General Obligation Bonds (2)	Notes Payable	Capital Lease			
2012	439,956,861	2,115,000	988,183	\$ 443,060,044	3.39%	1,589
2013	409,444,042		1,712,643	\$ 411,156,685	3.17%	1,455
2014	379,927,635		1,432,602	\$ 381,360,237	2.92%	1,329
2015	545,521,903		1,055,034	\$ 546,576,937	4.00%	1,898
2016	504,535,143		3,636,975	\$ 508,172,118	3.63%	1,741
2017	620,993,611		2,936,191	\$ 623,929,802	4.06%	2,077
2018	657,001,234		2,217,326	\$ 659,218,560	3.70%	2,179
2019	606,644,756	404,545	1,604,125	\$ 608,653,426	3.09%	1,983
2020	557,829,529	6,466,357	983,047	\$ 565,278,933	2.65%	1,828
2021	508,692,699	6,044,757	478,438	\$ 515,215,894	2.18%	1,672

Source: Dallas Central Appraisal District and District records.

Note:

- (1) The ratio of outstanding debt to personal income has not been included as personal income data is not available.
- (2) Includes accreted interest and premium on bond issuance

GARLAND INDEPENDENT SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
AS OF JUNE 30, 2020 (UNAUDITED)

Exhibit S-13

Fiscal Year Ended	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2012	439,956,861	5,852,827	434,104,034	3.32%	1,557
2013	409,444,042	5,689,844	403,754,198	3.11%	1,429
2014	379,927,635	5,841,400	374,086,235	2.86%	1,303
2015	545,521,903	9,556,908	535,964,995	3.92%	1,861
2016	504,535,143	8,043,823	496,491,320	3.55%	1,701
2017	620,993,611	13,172,040	607,821,571	3.96%	2,024
2018	657,001,234	22,490,186	634,511,048	3.56%	2,097
2019	606,644,756	50,239,546	556,405,210	2.82%	1,813
2020	557,829,529	71,517,196	486,312,333	2.28%	1,573
2021	508,692,699	76,901,253	431,791,446	1.83%	1,401

Source:

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (2) This is the amount restricted for debt service principal payments
- (3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 93 for property value data
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 100

GARLAND INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-14

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct:			
Garland Independent School District			
General Obligation Bonds	\$ 508,692,699	100.00%	\$ 508,692,699
Notes Payable	6,044,757	100.00%	6,044,757
Capital Leases	<u>478,438</u>	100.00%	<u>478,438</u>
Total Direct Debt	515,215,894		515,215,894
Overlapping:			
City of Garland	291,895,000	91.93%	268,339,074
City of Rowlett	100,230,000	84.24%	84,433,752
City of Sachse	49,315,000	61.07%	30,116,671
City of Dallas	1,936,980,416	0.26%	5,036,149
City of Mesquite	192,405,000	0.06%	115,443
City of Richardson	320,365,000	0.05%	160,183
City of Wylie	74,420,000	1.38%	1,026,996
Dallas County	130,445,000	7.76%	10,122,532
Dallas County Community College District	115,750,000	7.76%	8,982,200
Dallas County Hospital District	622,000,000	7.76%	48,267,200
Dallas County Schools	<u>16,679,652</u>	7.76%	<u>1,294,341</u>
Total Overlapping Debt	<u>3,850,485,069</u>		<u>457,894,541</u>
Total Direct and Overlapping Debt	<u>\$ 4,365,700,963</u>		<u>\$ 973,110,435</u>
Taxable Assessed Valuation			23,585,754,912
Ratio of Direct and Overlapping Debt to taxable assessed valuation			4.13%

Source: Debt outstanding and estimated percentage applicable for taxing entities other than the District was obtained from the Municipal Advisory Council of Texas.

Note:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The overlapping percentage represents an estimate of the overlapping geographic area between the District and the respective governments listed above. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the boundaries of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

GARLAND INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-15

Chapter 45 (School District Funds) Subchapter A (Taxes Bonds and Maintenance Taxes) of the Texas Education Code governs the issuance of bonds by independent school districts in the State of Texas. Key points regarding limitations on the issuance of bonds are:

- Sec. 45.001(b) – The bonds must mature serially or otherwise not more than 40 years from their date.
- Sec. 45.0031(a) – Before issuing bonds described by Section 45.001, a school district must demonstrate to the attorney general under Subsection (b) or (c) that, with respect to the proposed issuance, the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds other than bonds authorized to be issued at an election held on or before April, 1 1991, and issued before September 1, 1992, from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

The full text of Chapter 45 of the Texas Education Code can be found at www.capitol.state.tx.us.

The District's debt service tax rate for fiscal year 2021 is \$0.3050 per \$100 of valuation.

Source: Texas Education Code and District records.

GARLAND INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS (UNAUDITED)

Exhibit S-16

Period Ending	Estimated Population	Personal Income (hundreds of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate
2012	278,785	(1)	(1)	6.9%
2013	282,501	(1)	(1)	6.4%
2014	287,049	(1)	(1)	5.6%
2015	287,927	(1)	(1)	4.1%
2016	291,956	(1)	(1)	3.9%
2017	300,347	(1)	(1)	3.1%
2018	302,602	(1)	(1)	3.2%
2019	306,932	(1)	(1)	3.3%
2020	309,221	(1)	(1)	3.3%
2021	308,193	70,302	(1)	4.4%

Sources:

Population: District estimate

Personal Income (thousands of dollars): U. S. Bureau of Economic Analysis - Dallas-Plano-Irving, TX
 Metropolitan Division

Per Capita Personal Income (dollars): U. S. Bureau of Economic Analysis - Dallas-Plano-Irving, TX
 Metropolitan Division

Unemployment Rate: U.S. Department of Labor - Bureau of Labor Statistics

Note:

(1) Data not available

GARLAND INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Exhibit S-17

Employer	2021			2012		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Garland ISD	8,613	1	54.85%	7,238	1	42.58%
City of Garland	2,000	2	12.74%	2,000	3	11.76%
Kraft Heinz Company	1,200	3	7.64%			
Wal-Mart Super Centers	663	4	4.22%	1,250	4	7.35%
Baylor Scott & White Medical Center	721	5	4.59%			
Sherwin Williams / Valspar	540	6	3.44%			
City of Rowlett	521	7	3.32%			
US Food Service	520	8	3.31%	500	8	2.94%
Hatco (Resistol)	500	9	3.18%			
Anderson Windows	425	10	2.71%			
Raytheon				2,200	2	12.94%
Baylor Medical Center Garland				1,185	5	6.97%
International/SST Truck				982	6	5.78%
Atlas Copco				727	7	4.28%
APEX Took Group				467	9	2.75%
Karlee				451	10	2.65%
Total	15,703		100.00%	17,000		100.00%

Source: Garland Chamber of Commerce

Notes:

- * Data not available prior to 2008
- * Total employment for all employers within the District is not available

GARLAND INDEPENDENT SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS (UNADUTIED)

	Full Time Equivalent Employees			
	2012	2013	2014	2015
Teachers	3,651.1	3,636.9	3,646.8	3,679.1
Professional Support				
Athletic Trainer	3.8	5.1	4.8	6.7
Audiologist	3.0	2.0	2.0	2.0
Campus Professional Personnel	29.5	26.9	31.3	27.2
Corrective Therapist	-	-	-	-
Counselor	129.3	130.8	134.6	140.2
Department Head	-	-	12.7	-
Educational Diagnostician	57.6	58.2	56.6	57.8
Librarian	76.0	76.0	75.0	72.9
LSSP/Psychologist	8.0	8.0	8.0	9.0
Musical Therapist	-	-	1.0	0.7
Non-Campus Professional Personnel	158.5	148.4	173.3	183.5
Occupational Therapist	9.0	10.0	10.0	10.0
Orientation/Mobility Instructor	-	2.0	2.0	0.9
Physical Therapist	4.9	5.8	6.0	6.0
Psychological Associate	-	-	-	-
School Nurse	76.4	75.0	82.0	82.0
Social Worker	12.8	8.0	7.0	6.0
Speech Therapist/Speech-Language Pathologist	50.3	50.4	52.5	54.6
Teacher Facilitator	131.7	120.6	107.2	107.4
Visiting Teacher	4.0	4.0	4.0	4.0
Work-Based Learning Site Coordinator	7.3	8.4	4.3	-
Total Professional Support	<u>762.1</u>	<u>739.6</u>	<u>774.3</u>	<u>770.9</u>
Campus Administration				
Assistant Principal	107.0	106.0	108.9	106.8
Principal	72.0	71.0	71.0	71.0
Teacher Supervisor	-	-	0.1	-
Registrar	10.0	10.0	2.0	2.0
Total Campus Administration	<u>189.0</u>	<u>187.0</u>	<u>182.0</u>	<u>179.8</u>
Central Administration				
Assistant/Assoc/Deputy Superintendent	4.5	4.5	5.5	5.5
Instructional Officer	-	-	-	-
District Instructional Program Director	15.0	16.0	19.0	16.0
Superintendent	1.0	1.0	1.0	1.0
Teacher Supervisor	28.5	28.4	27.5	27.5
Athletic Director	2.0	2.0	2.0	2.0
Business Manager	1.0	1.0	1.0	1.0
Tax Assessor and/or Collector	1.0	1.0	1.0	1.0
Director of Personnel/HR	4.0	-	4.0	4.0
Total Central Administration	<u>57.0</u>	<u>53.9</u>	<u>61.0</u>	<u>58.0</u>
Educational Aides	461.8	454.8	516.7	547.2
Auxiliary Staff	2,116.8	2,099.8	2,126.8	2,183.4
Total All Full Time Equivalent Employees	<u><u>7,237.8</u></u>	<u><u>7,172.0</u></u>	<u><u>7,307.6</u></u>	<u><u>7,418.4</u></u>

Source: District records for the fall PEIMS submission

Full Time Equivalent Employees					
2016	2017	2018	2019	2020	2021
3,664.0	3,648.3	3,643.9	3,668.2	3,594.1	3,609.3
8.2	7.2	9.1	7.5	7.3	8.0
2.0	2.0	2.0	2.0	2.0	2.0
26.0	24.6	28.7	32.0	33.0	30.7
-	-	-	-	-	-
139.3	140.6	144.5	144.5	154.5	159.9
-	-	1.0	-	-	-
56.8	54.2	56.8	56.8	54.2	55.8
74.8	69.0	74.9	76.0	75.1	75.0
9.0	9.0	8.9	9.0	9.0	9.0
1.0	1.0	1.0	1.0	1.0	1.0
197.5	207.1	209.2	212.0	222.5	223.1
10.0	10.0	10.0	11.0	10.0	11.9
2.0	2.0	2.0	2.4	2.2	2.1
6.0	6.0	6.0	6.0	6.0	5.0
-	-	-	-	-	-
85.0	84.0	84.2	85.0	83.3	86.3
7.0	7.0	7.0	7.0	3.0	2.0
56.1	56.1	55.2	56.0	53.2	55.6
117.3	127.1	136.1	141.7	134.4	160.0
3.0	2.0	1.0	1.0	1.0	2.0
-	-	-	-	-	-
801.0	808.9	837.7	850.9	851.7	889.2
116.0	112.9	117.3	117.6	115.5	115.4
70.1	71.2	73.0	72.8	73.6	70.3
-	-	-	-	-	-
2.0	2.0	-	-	2.0	2.0
188.1	186.1	190.3	190.4	191.1	187.7
5.0	3.0	2.0	3.0	3.0	4.9
-	-	-	-	-	-
16.0	13.0	16.0	14.0	12.0	12.5
1.0	3.0	2.0	3.0	3.0	1.0
26.8	22.5	22.0	22.0	21.0	22.4
2.0	1.0	1.0	-	-	-
1.0	-	0.5	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
4.0	2.9	4.0	3.0	3.0	3.0
56.8	46.4	48.5	47.0	44.0	45.8
538.1	552.4	554.4	571.8	553.8	569.9
2,044.7	1,997.7	1,935.8	1,977.9	1,950.2	1,920.9
7,292.7	7,239.8	7,210.6	7,306.2	7,184.9	7,222.7

GARLAND INDEPENDENT SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS (UNADUTIED)

Exhibit S-19

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2012	58,151	\$ 367,647,358	6,322	-1.10%	3,651	15.9	60.5%
2013	58,059	389,695,690	6,712	6.00%	3,637	16.0	61.0%
2014	57,616	413,888,034	7,184	6.21%	3,647	15.8	60.8%
2015	57,436	432,733,720	7,534	4.55%	3,679	15.6	60.5%
2016	57,517	448,433,858	7,797	3.63%	3,664	15.7	65.6%
2017	57,029	448,968,306	7,873	0.12%	3,648	15.6	63.8%
2018	56,471	473,451,617	8,384	5.45%	3,644	15.5	60.6%
2019	55,987	421,055,162	7,521	-11.07%	3,668	15.3	64.8%
2020	55,701	482,641,273	8,665	14.63%	3,594	15.5	65.8%
2021	53,921	506,958,474	9,402	5.04%	3,609	14.9	70.7%

Source: District records

GARLAND INDEPENDENT SCHOOL DISTRICT
OPERATING INDICATORS
LAST TEN FISCAL YEARS (UNADUTIED)

Exhibit S-20

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Teachers By Highest Degree Held										
No Degree	0.2%	0.2%	0.5%	0.4%	0.4%	0.4%	0.6%	0.8%	0.7%	0.8%
Bachelors	71.4%	70.8%	69.8%	69.4%	69.5%	69.2%	68.9%	67.6%	66.7%	66.8%
Masters	27.5%	28.1%	28.8%	29.3%	29.3%	29.4%	29.4%	30.6%	31.6%	31.4%
Doctorate	0.9%	0.9%	0.9%	0.9%	0.8%	1.1%	1.1%	1.1%	1.0%	1.1%
Teachers By Years of Experience										
Beginning Teachers	3.4%	4.9%	5.3%	4.5%	5.3%	4.9%	5.1%	4.5%	4.1%	5.3%
1 - 5 Years of Experience	27.5%	23.8%	22.9%	25.0%	27.2%	28.3%	29.6%	29.2%	27.2%	25.7%
6 - 10 Years of Experience	26.7%	27.7%	27.9%	25.9%	23.1%	21.4%	20.1%	19.9%	21.2%	22.3%
11 - 20 Years of Experience	26.9%	28.2%	28.8%	29.8%	30.2%	30.7%	31.4%	32.3%	32.9%	31.8%
Over 20 Years of Experience	15.4%	15.4%	15.0%	14.8%	14.2%	14.7%	13.8%	14.2%	14.6%	15.0%
Average Salaries by Experience										
Beginning Teachers	\$46,605	\$46,462	\$48,899	\$50,150	\$50,862	\$52,334	\$52,304	\$54,248	\$54,569	\$55,538
1 - 5 Years of Experience	47,313	\$48,038	\$49,232	\$50,565	\$52,115	\$53,263	\$54,149	\$54,851	\$56,593	\$56,856
6 - 10 Years of Experience	48,607	\$49,331	\$50,572	\$51,730	\$53,299	\$54,415	\$55,548	\$56,337	\$58,211	\$58,782
11 - 20 Years of Experience	50,562	\$51,190	\$52,332	\$53,729	\$55,083	\$56,124	\$57,223	\$58,241	\$60,343	\$61,464
Over 20 Years of Experience	59,237	\$59,546	\$59,925	\$61,323	\$61,984	\$62,358	\$63,055	\$63,806	\$65,504	\$65,775
Student Teacher Ratio	15.9	16.0	15.8	15.6	15.7	15.6	15.5	15.3	15.5	14.9

Source: District records for the fall PEIMS submission

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNADUTIED)

Exhibit S-21

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Schools:										
Elementary										
Buildings	47	47	47	47	47	47	47	47	47	47
Enrollment	26,471	26,364	26,351	26,135	25,971	25,579	24,246	23,606	23,208	22,062
Middle										
Buildings	12	12	12	12	12	12	12	12	12	12
Enrollment	12,789	12,871	12,715	12,754	12,595	12,757	12,663	12,830	12,996	12,766
High										
Buildings	7	7	7	7	7	9	9	9	9	9
Enrollment	16,863	17,198	16,993	17,091	17,470	17,474	17,439	17,324	17,312	17,210
Pre-K										
Buildings	2	2	2	2	2	2	2	2	2	2
Enrollment	1,453	1,467	1,217	1,098	1,132	1,086	1,924	1,950	1,900	1,664
Other										
Buildings	3	3	3	3	3	2	2	2	2	2
Enrollment	575	449	340	358	349	133	199	277	285	219
Student Services										
Buildings:										
Enrollment Center	1	1	1	1	1	1	1	1	1	1
Transportation	1	1	1	1	1	1	1	1	1	1
Infant Center	1	1	1	1	1	1	1	1	1	1
Other										
Buildings:										
Administration	1	1	1	1	1	1	1	1	1	1
Tax Office	1	1	1	1	1	1	1	1	1	1
Technology	1	1	1	1	1	1	1	1	1	1
Professional Development Center	1	1	1	1	1	1	1	1	1	1
Curtis Culwell Center	1	1	1	1	1	1	1	1	1	1
Facility Services	1	1	1	1	1	1	1	1	1	1
Agriculture Training Center	1	1	1	1	1	1	1	1	1	1
Athletics										
Stadiums (includes Athletic Office)	2	2	2	2	2	2	2	2	2	2
Running Tracks	7	7	7	7	7	7	7	7	7	7
Tennis Courts	7	7	7	7	7	7	7	7	7	7
Softball Fields	7	7	7	7	7	7	7	7	7	7
Baseball Fields	7	7	7	7	7	7	7	7	7	7

Source: District records

Federal Awards Section

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

To the Board of Trustees
Garland Independent School District
Garland, Texas

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Garland Independent School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control over Financial Reporting

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

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

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

To the Board of Trustees
Garland Independent School District

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Dallas, Texas
November 16, 2021

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

To the Board of Trustees
Garland Independent School District
Garland, Texas

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

To the Board of Trustees
Garland Independent School District

Report on Internal Control Over Compliance

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

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

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

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

Whitley Penn LLP

Dallas, Texas
November 16, 2021

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit K-1

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OF CLUSTER TITLE	(2) ASSISTANCE LISTING NUMBER	(3) PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
US Department of Education			
Passed Through State Department of Education			
Texas Education for Homeless Children & Youth	84.196A	204600057110036	19,936
Texas Education for Homeless Children & Youth	84.196A	214600057110032	100,420
Total ALN 84.196A			<u>120,356</u>
ESEA Title I Part A - Improving Basic Programs	84.010A	20610101057909	2,502,697
ESEA Title I Part A - Improving Basic Programs	84.010A	21610101057909	13,117,303
ESEA Title I - School Improvement	84.010A	21610141057909	44,403
2019-2020 School Action Fund - Planning	84.010A	196101477110020	478
Total ALN 84.010A			<u>15,664,881</u>
School Transformation Fund - Implementation	84.377A	176107337110012	85,279
Total Title I Part A			<u>15,750,160</u>
Special Education Cluster			
IDEA - Part B, Formula	84.027A	206600010579096600	188,530
IDEA - Part B, Formula	84.027A	216600010579096600	10,283,023
IDEA - Part B, Preschool	84.173A	206610010579096610	793
IDEA - Part B, Preschool	84.173A	216610010579096610	173,800
Total Special Education Cluster (84.027A, 84.173A)			<u>10,646,146</u>
Vocation Education - Basic Grant	84.048A	20420006057909	161,547
Vocation Education - Basic Grant	84.048A	21420006057909	577,377
2019-2020 Perkins Reserve	84.048A	204200287110032	29,773
Total ALN 84.048A			<u>768,697</u>
ESEA Title III, Part A, ELA	84.365A	20671001057909	143,240
ESEA Title III, Part A, ELA	84.365A	21671001057909	1,275,230
ESEA Title III, Part A, Immigrant	84.365A	21671003057909	41,139
Total ALN 84.365A			<u>1,459,609</u>
ESEA Title II, Part A, Supporting Effective Instruction	84.367A	20694501057909	872,115
ESEA Title II, Part A, Supporting Effective Instruction	84.367A	21694501057909	1,333,191
Total ALN 84.367A			<u>2,205,306</u>
ESEA Title IV, Part A, Subpart 1	84.424A	20680101057909	3,677
ESEA Title IV, Part A, Subpart 1	84.424A	21680101057909	921,362
Total ALN 84.424A			<u>925,039</u>
ESSER GRANT - COVID-19	84.425D	20521001057909	11,384,878
PPRP - COVID-19	84.425D	52102135	495,871
Total ALN 84.425D			<u>11,880,749</u>
Total Passed Through State Department of Education			<u>43,756,062</u>
Total US Department of Education			<u>43,756,062</u>
US Department of Health & Human Services			
Passed Through Texas Health and Human Services Commission			
Medicaid Administrative Claiming	93.778	529-07-0157-00128	347,800
Total Medicaid Cluster (93.778)			<u>347,800</u>
CARES Act Provider Relief Fund - COVID-19	93.498	065639901	158,930
Total Passed Through Texas Health and Human Services Commission			<u>506,730</u>
Total US Department of Health and Human Services			<u>506,730</u>
US Department of Treasury			
Passed Through Texas Department of Emergency Management			
2020 Coronavirus Relief Fund - COVID-19	21.019	0325	509,051
Operation Connectivity - COVID-19 - Non-Cash Assistance	21.019	52202002	2,509,000
Total US Department of Treasury			<u>3,018,051</u>
US Department of Agriculture			
Child Nutrition Cluster			
Passed Through State Department of Education			
School Breakfast Program - Cash Assistance	10.553	806780706	79,755
National School Lunch Program - Cash Assistance	10.555	806780706	126,112
Total Passed Through State Department of Education			<u>205,867</u>
Passed Through State Department of Agriculture			
USDA Donated Commodities - Non-Cash Assistance	10.555	806780706	2,368,333
Summer Food Service Program	10.559	806780706	17,238,414
Total Passed Through State Department of Agriculture			<u>19,606,747</u>
Total Child Nutrition Cluster (10.553, 10.555, 10.559)			19,812,614
Child and Adult Care Food Program - Cash Assistance	10.558	806780706	865,133
Total US Department of Agriculture			<u>20,677,747</u>
Total Expenditures of Federal Awards			<u>\$ 67,958,590</u>

See Notes to Schedule of Expenditures of Federal Awards

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Fund Types

The District utilizes the fund types specified in the Texas Education Agency Resource Guide.

Special Revenue Fund – used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state awards generally are accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

Note 2. Accounting and Financial Reporting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, which are Governmental Funds. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting. The modified accrual basis of accounting is used for the Governmental Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned. The District has not elected to use the 10 percent de-minimis indirect cost rate.

Note 3. Period of Availability

The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with provisions in Section H: Period of Availability of Federal Funds, Part 3, OMB Compliance Supplement.

Note 4. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2021, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 5. Title I, Part A Transferability

As described in the U.S. Department of Education Cross-Cutting Section (ALN 84.000), sections III.A.3 *Activities Allowed or Unallowed - Transferability (SEAs and LEAs)* and IV.3 *Other Information - Transferability* of the 2021 OMB Compliance Supplement, expenditures of funds should be included in the audit universe and total expenditures of the receiving program. For fiscal year 2021, the District transferred Title IV, Part A (ALN 84.424) expenditures to its Title I, Part A (ALN 84.010A) program as submitted to the Texas Education Agency in its consolidated application and as denoted on the Schedule of Expenditures of Federal Awards. As such, Title IV, Part A (ALN 84.424) expenditures were included as part of Title I, Part A (ALN 84.010).

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2021

Note 6. Reconciliation to the Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards and federal revenues reported on Exhibit C-2 of the District's Annual Comprehensive Financial Report:

Total Expenditures of Federal Awards	\$ 67,958,590
School Health and Related Services (SHARS)	6,667,140
JROTC	158,345
E-Rate	61,508
Qualified School Construction Bonds Interest Subsidy	472,669
Federal Revenues Reported on Exhibit C-2	<u>\$ 75,318,252</u>

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

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number
Child Nutrition Cluster:	
<i>School Breakfast Program – Cash Assistance</i>	10.553
<i>National School Lunch Program – Cash Assistance</i>	10.555
<i>USDA Donated Commodities – Non-Cash Assistance</i>	10.555
<i>Summer Food Service Program</i>	10.559
<i>ESSER Grant - COVID-19</i>	84.425D
<i>Prior Purchase Reimbursement Program (PPRP) - COVID-19</i>	84.425D
<i>2020 Coronavirus Relief Fund (from TDEM) - COVID-19</i>	21.019
<i>Operation Connectivity (from Region IV ESC) - COVID-19</i>	21.019
<i>Vocation Education – Basic Grant</i>	84.048A
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$2,038,758
Auditee qualified as low-risk auditee?	Yes

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2021

II. Financial Statement Findings

None reported

III. Federal Awards Findings and Questioned Costs

None reported.

GARLAND INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

No prior year findings reported.

GARLAND INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not applicable