

Fiscal Year Ended June 30, 2022

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, 2022

Prepared by:
The Division of Finance

GARLAND INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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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, 2022, at a meeting of the Board of Trustees of such school district on the 8 day of November, 2022.

Robert L. Saldana Jr.
Signature of Board Secretary

Wesley John
Signature of Board President

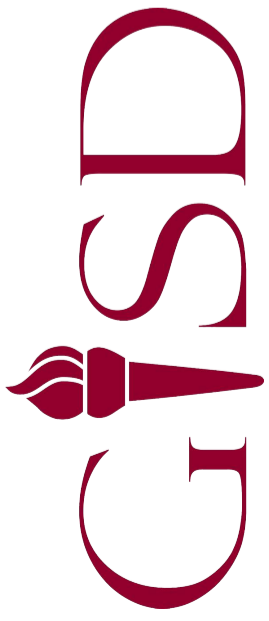
BOARD OF TRUSTEES

Name	Position	Place	Length of Service	Term Expires	Occupation
Larry Glick	Member	1	15 years	May 2025	Tax Attorney
Johnny Beach	Assistant Secretary	2	6 years	May 2025	Retired Educator
Linda Griffin	Vice President	3	24 years	May 2025	Consultant
Daphne Stanley	Member	4	1 year	May 2023	Senior Merchandise Planner
James Miller	Member	5	5 years	May 2023	Executive Vice President / Chief Lending Officer
Robert Selders, Jr.	Secretary	6	7 years	May 2024	Business Owner
Wesley Johnson	President	7	4 years	May 2024	Attorney

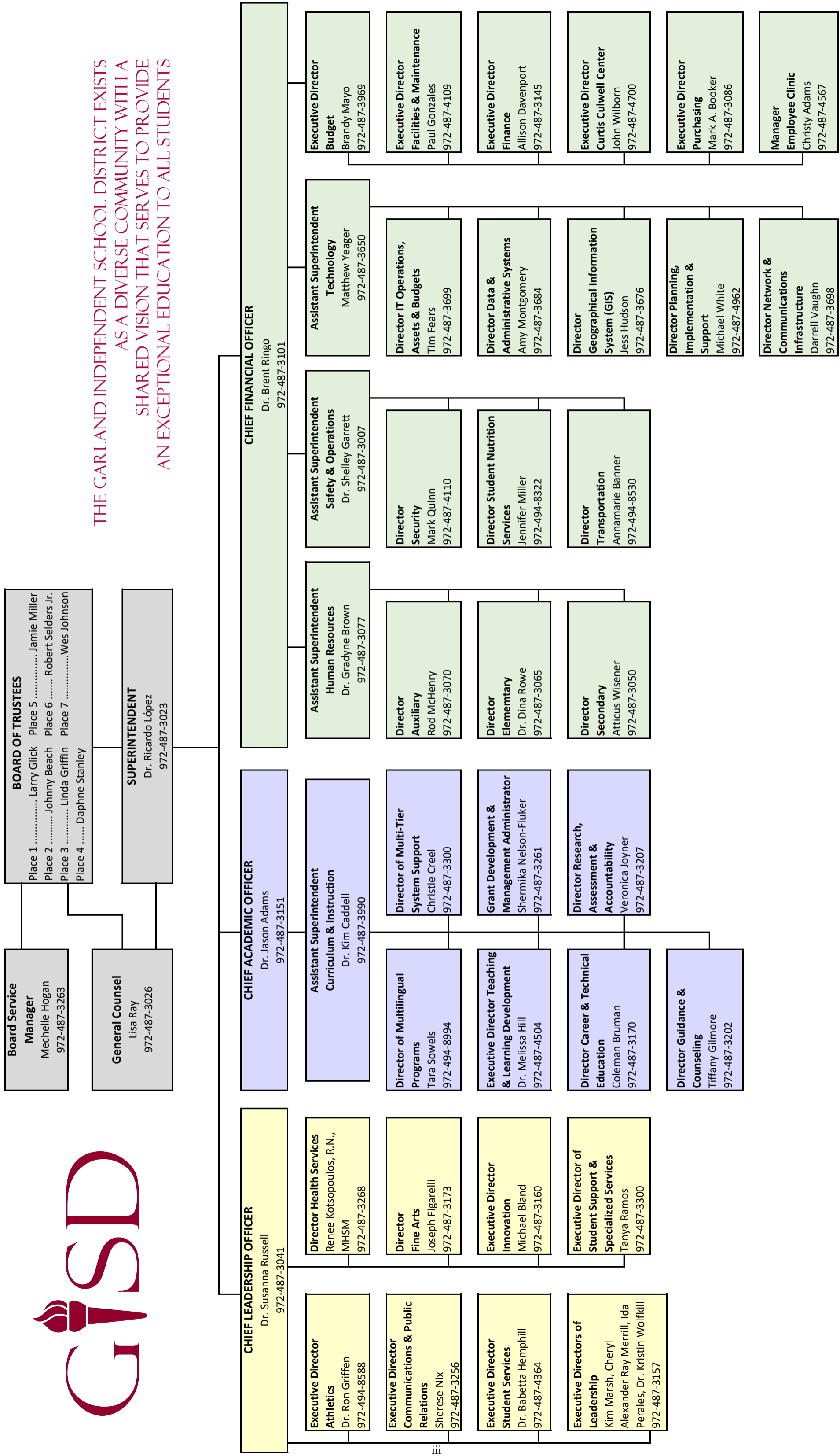
ADMINISTRATIVE OFFICIALS

Name	Position	Length of GISD Service
Dr. Ricardo López	Superintendent	5 years
Dr. Jason Adams	Chief Academic Officer	23 years
Dr. Brent Ringo	Chief Financial Officer	4 years
Dr. Susanna Russell	Chief Leadership Officer	4 years
Lisa Ray	General Counsel	4 years
Dr. Kim Caddell	Assistant Superintendent of Curriculum & Instruction	18 years
Dr. Gradyne Brown	Assistant Superintendent of Human Resources	21 years
Dr. Shelley Garrett	Assistant Superintendent of Safety & Operations	3 years
Matthew Yeager	Assistant Superintendent of Technology	4 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 STUDENTS





Garland Independent School District
Division of Finance

Street Address

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

Phone

972-487-3100

FAX

972-485-4922

October 25, 2022

Board of Trustees and Citizens of the
Garland Independent School District
501 S. Jupiter
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, 2022.

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 Organizational Chart, Board of Trustees and Administrative Officials, the Government Finance Officers Association (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials (“ASBO”) Certificate of Excellence in Financial Reporting.
2. **Financial Section**, which includes the Independent Auditor’s Report, Management’s Discussion and Analysis (“MD&A”), the Basic Financial Statements, Required Supplementary Information, Combining Statements and Supplementary Information.
3. **Required TEA Schedules Section**, which includes the Schedules of Delinquent Taxes Receivable, Changes in Fund Balance Budget, Actual-Debt Service Fund and Compensatory Education Program and Bilingual Education Program Compliance Responses.
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, 2022, 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, 2022, 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

In 1901, Garland voters elected to incorporate as an independent school district. Facilities were remodeled and expanded over the years as needed to accommodate a growing population.

Garland ISD opened its first school for African-American children in 1922-23. Carver School served students in grades one through eight; high school students had to travel to Dallas to complete their education. Integration of the schools began in 1964 and was completed by 1970.

As the Garland area became more urban, the neighboring rural schools consolidated with the Garland school district. In its first 100 years, public education in Garland grew from a six-room building with enrollment of 130 pupils in 1901 to more than 60 campuses with an enrollment of approximately 51,000 students. As of 2022, Garland ISD has 72 campuses with an enrollment of 53,674 students.

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 2011-12 and 2021-22 school years.

	<u>2011-12</u>	<u>2021-22</u>
Enrollment	57,954	53,674
African-American	17.1%	18.4%
American Indian	0.6%	0.3%
Asian	8.0%	9.4%
Hispanic	48.8%	54.3%
Native American		
Pacific Islander	0.1%	0.1%
White	23.4%	14.7%
Two or More	2.0%	2.8%
Economically Disadvantaged	60.6%	74.0%
English Language Learners	21.7%	35.1%
Graduates	3,772	4,010

The District’s total student population decreased over the past 10 years, averaging a loss of 428 student per year. Of the loss, 78% 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 2011-12 and 2021-22 school year.

	<u>2011-12</u>	<u>2021-22</u>
Total Staff	7,238	6,987
Teachers	3,651	3,448
Masters or Doctorate	28.4%	31.3%
Average Years of Experience	11.5	11.2
Student/Teacher Ratio	15.9	15.6

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>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Certified Market Value	\$28,817,252,033	\$29,074,711,260	\$35,599,044,760
Average Market Value of Residence	\$225,374	\$233,056	\$298,246

The District continues to see the highest residential growth in the last 16 years. The DFW housing market is dealing with the rise in 30-year mortgage rates climbing over 200 basis points in the first four months of 2022. The 30-year mortgage interest rate was 5.27% as of May 2022, which is the highest mortgage rate since 2009. Homebuilders are experiencing labor shortages and supply chain challenges which continue to elongate construction cycle times. However, housing demand remains exceptionally strong and corporate relocations to the DFW area are bringing plenty of buyers with large equities. There were 193 new home starts and 211 new homes occupied in the District during first quarter 2022, which is the second highest quarterly total in 10 years. Garland ISD currently ranks 22nd in total annual new home closing compared to the other 89 DFW school districts. There are 955 single family lots under development with another 3,972 future lots planned as of March 2022. There are over 4,800 new apartments that are currently in-process or planned in the District. Residential growth is expected to generate 4,318 new students over the next 10 years. 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. 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.

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 a 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.

During the 2021–2022 school year, many LEAs experienced losses in average daily attendance (ADA) due to low rates of attendance caused by the ongoing COVID-19 pandemic. Because ADA is a major component in determining Foundation School Program (FSP) funds, a loss of ADA would result in a loss of FSP funds. The Commissioner of Education exercised his authority under TEC, §25.081(b), to approve a reduction in the minimum number of required 75,600 minutes of operation for all LEAs during the first through fourth six-week attendance reporting periods of the 2021–2022 school year. This resulted in an adjustment that will ensure stabilized percentage attendance rates comparable to a more typical school year, rather than the low percentage attendance rates caused by the ongoing COVID-19 pandemic.

This is a one-time adjustment offered solely for funding purposes that is only for the 2021–2022 school year. The funding adjustment did not relieve LEAs from the statutory operational minutes requirement to operate schools and make schools available for students to attend in person.

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 in the final phase of completion. 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	16 years
Elementary Schools	47	45 years
Middle Schools	12	48 years
High Schools	7	45 years
Other Learning Centers	4	37 years

Fund Balance. The unassigned fund balance in the general fund is 55.7% of general fund expenditures and 48.9% of the 2023 adopted general fund budget. This represents 6.7 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.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

It was an incredible day on August 12, 2022, as the Texas Education Agency released accountability ratings for campuses across Texas. Overall, the Garland Independent School District did exceptionally well, with an overall rating of 87, performing better than several neighboring school districts. Many schools from Garland ISD scored excellent ratings, with North Garland High School becoming the first high school in district history to achieve an "A" accountability rating in the STAAR era. The campus also achieved all seven distinctions from TEA.

North Garland High School has been revalidated as an AVID National Demonstration Campus for the next three years. Being a National Demonstration Campus means that NGHS is a world-recognized learning center whose systems, leadership, instruction, and culture are based on high expectations and activating students' lives beyond the twelfth grade. Only two percent of AVID campuses in the world hold this distinction. Three of our schools in GISD have earned this distinctive title, including North Garland High School, O'Banion Middle School and Sellers Middle School. This further AVID recognition is an outstanding achievement for NGHS.

Two Rowlett High School students were selected to attend one of the most respected and selective educational programs of government instruction for high school students. They were nominated by their campus to attend the American Legion Texas Boys State program, an opportunity just 1,100 young men receive each year. Over Winter Break, the students were notified that they were accepted into the program that aims to shape the leaders of tomorrow.

Our Fine Arts department continues to shine and receive recognition. The Austin Academy of Excellence Jazz 1 Band was invited to perform at the 76th Annual Midwest Band and Orchestra Clinic in Chicago in December 2022. Not only will they be representing Garland ISD on a national stage, they will be playing a piece of music composed by an alum of Austin Academy. GISD also had seven students earn a spot in All-State bands, choirs, and orchestras. For the 13th time, Garland ISD was named a 2022 Best Communities for Music Education by the National Association of Music Merchants Foundation. Garland ISD's Uni-VS-All step team place 2nd at a National High School Step Competition in New Jersey. Garland and Rowlett High School's cheer teams were both named Redline National Champions. All seven of our high school drill teams earned high honors throughout their competition season. Sachse High School also advanced to the UIL State Marching Band Competition in San Antonio, TX. The Visual Arts programs represented the district very well with 82 middle school students medaling at the regional JR VASE and 31 high school students advancing to the state VASE where 6 students received VASE Gold Seal Awards.

Garland ISD, its students, and its employees received several other awards and recognitions throughout the year. Francis Luna, the Bradfield Elementary School nurse, won the title of Texas School Nurse of the Year. Two of our CTE students are #1 in the nation at Skills USA for technical math and networking. Mathilde Rodriguez from Coyle Middle School was inducted into the inaugural No Kid Hungry Hero Hall of Fame, one of only five in Texas.

The Employee Wellness Department received several awards during the school year. The awards include Nation's Best and Brightest in Wellness Elite Winner, Best Wellness Employer Silver Certification, and the American Heart Association Gold Level Workplace Health Achievement Index Recognition. Our Employee Wellness Coordinator was also recognized as the Texas Academy of Nutrition and Dietetics Outstanding Preceptor Veteran of 2021.

AWARDS AND ACKNOWLEDGEMENTS

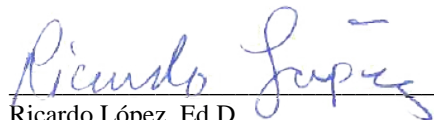
Awards - The Government Finance Officers Associations of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement 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-three 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.

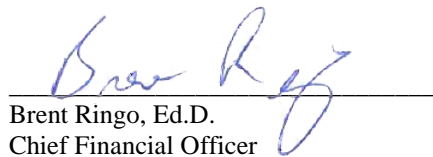
The District was awarded a Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) stating that the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, substantially conformed to the recommended principles and standards of financial reporting adopted by that organization. The District has received the Certificate of Excellence for thirty-four 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.

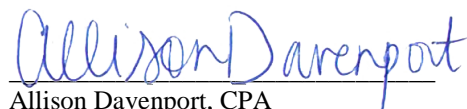
Acknowledgments - The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Division of Finance. We would like to express our appreciation to all members of the department who assisted and contributed.

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, 2021

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 Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading '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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees
Garland Independent School District

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
Garland Independent School District

Supplementary 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 combining fund financial statements, required Texas Education Agency (TEA) schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fund financial statements, required TEA schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dallas, Texas
October 25, 2022

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Garland Independent School District
 Management's Discussion and Analysis
 Year Ended June 30, 2022

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, 2022.

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 \$371,575,453 (net position). Of this amount \$105,839,649 was restricted for specific purposes (i.e. Federal/State grants, Debt Service and Student Nutrition). Unrestricted net position was (\$95,716,573) due to GASB 68 and 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 \$425,225,100, which breaks down as follows.

Non-Spendable	\$	3,344,629	0.8%
Restricted		121,400,812	28.5%
Committed		10,650,870	2.5%
Assigned		14,084,837	3.3%
Unassigned		275,743,952	64.9%
Total	\$	<u>425,225,100</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 59-66 of this report.

Combining statements are prepared in connection with internal service funds and are presented immediately following the required supplementary information on pages 67-76 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, 2022, assets and deferred outflow of resources exceeded liabilities and deferred inflows by \$371,575,453.

The District’s Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 526,591,944	\$ 477,902,340
Capital assets	<u>779,644,298</u>	<u>799,948,711</u>
Total assets	<u>1,306,236,242</u>	<u>1,277,851,051</u>
Total deferred outflows	84,679,844	93,417,688
Noncurrent liabilities	710,844,355	838,808,269
Other liabilities	<u>90,629,086</u>	<u>76,686,724</u>
Total liabilities	<u>801,473,441</u>	<u>915,494,993</u>
Total deferred inflows	217,867,192	161,321,651
Net investment in		
capital assets	361,452,377	344,843,626
Restricted	105,839,649	75,207,277
Unrestricted	<u>(95,716,573)</u>	<u>(125,598,808)</u>
Total net position	<u>\$ 371,575,453</u>	<u>\$ 294,452,095</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 2022 and 2021 increased by \$77.1 million. The District’s net investment in capital assets is \$361.5 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, \$105.8 million are restricted resources subject to external restrictions on how they are used, and (\$95.7) 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, 2022 and 2021, respectively.

Changes in the District's Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues		
Charges for services	\$ 6,449,341	\$ 2,077,524
Operating grants and contributions	134,922,344	135,181,539
General revenues		
Property taxes	299,361,932	283,356,287
State grants	244,406,171	262,806,481
Other	12,010,586	4,879,850
Total revenues	<u>697,150,374</u>	<u>688,301,681</u>
Expenses		
Instructional and instructional related services	341,880,762	400,251,036
Instructional and school leadership	41,608,369	46,350,701
Support services - student	100,641,905	98,467,966
Administrative support services	16,676,471	17,617,058
Support services – non-student	100,193,624	95,758,507
Community services	2,754,483	3,442,178
Debt service	16,168,281	18,387,683
Facilities repairs and maintenance	541,822	16,257
Payments to fiscal agent of shared services arrangement	176,895	179,365
Payments to JJAEP	30,702	7,446
Intergovernmental charges	897,947	963,769
Total expenses	<u>621,571,261</u>	<u>681,441,966</u>
Excess of revenues over expenses	75,579,113	6,859,715
Special item - gain on disposal of assets	<u>1,544,245</u>	<u>283,574</u>
Increase/(Decreases) in net position	77,123,358	7,143,289
Beginning net position	294,452,095	301,119,161
Prior Period Adjustment		(13,810,355)
Ending net position	<u>\$ 371,575,453</u>	<u>\$ 294,452,095</u>

Governmental activities. Governmental activities increased the District's net position by \$77,123,358. The total cost of all *governmental activities* this year was \$621,571,261. The amount our taxpayers paid for these activities through property taxes was \$299,361,932 or 48%.

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 \$425,225,100 a increase of \$32,748,200 from last year.

Non-Spendable - Inventories	\$ 3,344,629	0.8%
Restricted - Grant Funds	17,764,858	4.2%
Restricted - Capital Acquisitions and Contractual Obligations	11,743,460	2.8%
Restricted - Retirement of Long-term Debt	91,495,627	21.5%
Committed - Self-Insurance	7,000,000	1.6%
Committed - Local Special Revenue Funds	3,650,870	0.9%
Assigned - Construction and Capital Expenditures	12,961,937	3.0%
Assigned - Other	1,122,900	0.3%
Unassigned	276,140,819	64.9%
	<u>\$ 425,225,100</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 \$276,140,819. 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 55.7% of the total general fund expenditures, while total fund balance represents 57.6% of that same amount.

The general fund's fund balance increased \$14,640,829 during the current fiscal year. The district was able to add to fund balance due to the reduced expenditures in payroll due to vacancies and non-payroll funding that remained unspent.

The debt service fund has a total fund balance of \$91,495,627 all of which is restricted for the payment of debt service. The increase in debt services fund balance was \$14,594,374. This increase was due to restructured debt that resulted in less expenditures.

The capital projects fund decreased its fund balance by \$10,861,622. 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 increased its fund balance by \$14,374,619. This increase is primarily due to a \$11,279,663 increase in fund balance in Student Nutrition Services with increased participation and funding received from the Federal Program reimbursement.

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, 2022, amounted to \$8,614,014, an increase of \$862,531. This is due in part to the transfer in of \$1,000,000 from the general fund to the Curtis Culwell Center for video and scoreboard upgrades which increased the net position of the Curtis Culwell Center. It was offset by a decrease to the Risk Management fund of \$582,008 primarily caused by an increase in claims.

Budgetary Highlights

In June 2021 the Board of Trustees adopted the 2021-22 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 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

- \$5,650,000 increase in local revenue to higher than projected tax collections
- \$1,875,000 increase in local revenue due to insurance proceeds from winter storm claims.
- \$12,600,000 increase in state revenue due to capture additional revenue from hold harmless for additional state homestead exemption.
- \$7,207,000 decrease in state funding due to changes in Teacher Incentive Allotment
- \$7,000,000 increase in federal funding for additional indirect costs reimbursements received from federal grant awards.

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 out:

- \$4,317,000 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.
- \$1,000,000 transfer out to the Curtis Culwell Center Internal Service Fund for video and scoreboard upgrades.

After appropriations were amended as described above, actual revenues were \$1,167,508 less than final budgeted amounts due to less revenue from federal programs indirect cost reimbursement than final budgeted estimates. Actual expenditures were \$37,522,447 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

- \$5,062,000 decrease in local revenue sources due reduced a la carte sales.
- \$78,000 decrease in state lunch matching.
- \$2,059,000 increased in federal revenue for the funding from the Child Nutrition Emergency Operational Cost Reimbursement Program
- \$8,000,000 increase in federal revenue sources due to increased participation and funding from federal program reimbursement.

Expenditures

- \$579,000 increase in food services expenditures due to equity adjustment for Child Nutrition employees.
- \$1,500,000 decrease in food services expenditures due to higher than expected vacancy rate.

Actual revenues were \$3,590,948 greater than final budgeted amounts due to more revenue in federal sources than final budgeted estimates. Actual expenditures were \$1,849,132 less than final budget amounts due to the year-end payroll accrual being less than estimated and higher than normal vacancy rate. Year-end expenditures were less than revenue, thus increasing existing fund balance.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets (net of accumulated depreciation/amortization) for governmental activities was \$779,644,298 and \$799,948,711 as of June 30, 2022 and 2021, respectively. This investment in capital assets includes land, buildings and improvements, and furniture and equipment.

District's Capital Assets (net of depreciation/amortization)

	<u>2022</u>	<u>2021</u>
Governmental Activities		
Land	\$ 35,835,595	\$ 35,835,595
Land improvements, net	20,475,187	22,642,382
Buildings and improvements, net	671,566,317	669,939,332
Furniture and equipment, net	27,370,239	30,710,037
Right to Use Lease Asset - Building	563,315	-
Construction in progress	23,833,645	40,821,365
Total at historical cost	<u>\$ 779,644,298</u>	<u>\$ 799,948,711</u>

The decrease in governmental capital assets is due primarily to a decrease in construction in progress due to completed projects from the November 2014 bond authorization along with an increase in the accumulated depreciation/amortization due as assets have been placed in service. Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term debt. At June 30, 2022, the District had total bonded debt outstanding of \$417,280,000, a decrease of \$42,265,000 from the prior year. This decrease is due to scheduled bond payments along with no new issuances of building bonds for the 2022 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 3.7%. Dallas County has a 3.9% unemployment rate as compared to a statewide rate of 4.2% and a national average of 3.8%.
- Inflationary trends in the region tend to be similar to the national consumer price index (CPI). The region's CPI increased 9.4% while the nation experienced a 8.3% increase.
- The District's student attendance rate has historically been approximately 97%.
- The District has appropriated revenues of \$508,248,901 and expenditures of \$564,235,841 in the 2022-23 budget of the General Fund.
- The Debt Service Fund has budgeted revenues of \$74,308,509 and expenditures of \$61,498,642 in the 2022-23 budget.
- The Student Nutrition Services Fund revenue and expenditure budgets for 2021-22 are \$35,940,226 and \$34,012,122, respectively.
- The 2022-23 budget is based on a total property tax rate of \$1.1725 per hundred dollars of assessed value. The property tax rate for maintenance and operations is \$0.8546 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 2022-23 increased 13.70% due to an increase in commercial and residential property values.

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, 2022

Exhibit A-1

Data <u>Codes</u>	<u>Governmental Activities</u>
ASSETS	
1110 Cash and Cash Equivalents	\$ 433,288,071
1220 Property Taxes - Receivable - Delinquent	7,692,748
1230 Allowance for Uncollectible Taxes (Credit)	(477,576)
1240 Due From Other Governments	82,601,951
1290 Other Receivables, net	142,122
1300 Inventories	3,344,628
Capital Assets:	
1510 Land	35,835,595
1510 Land Improvements, net	20,475,187
1520 Buildings and Building Improvements, net	671,566,317
1530 Furniture and Equipment, net	27,370,239
1551 Right to Use Lease Asset - Building	563,315
1580 Construction in Progress	23,833,645
1000 Total Assets	1,306,236,242
DEFERRED OUTFLOWS OF RESOURCES	
1700 Deferred Charge on Refunding	3,289,731
1705 Deferred Outflow of Resources for Pension Activities	47,930,252
1706 Deferred Outflow of Resources for OPEB	33,459,861
Total Deferred Outflows of Resources	84,679,844
LIABILITIES	
2110 Accounts Payable	27,375,803
2140 Interest Payable	6,974,633
2150 Payroll Deductions and Withholdings	1,745,590
2160 Accrued Wages Payable	51,449,748
2200 Accrued Expenses	224,105
2300 Unearned Revenues	2,859,207
Noncurrent Liabilities:	
2501 Due Within One Year	44,626,160
2502 Due in More Than One Year	419,896,316
2531 Right to Use Lease Liability Long Term	319,936
2540 Net Pension Liability	80,131,846
2545 Net OPEB Liability	158,355,733
2532 Vested Vacation Benefits Payable	915,906
2533 Loan Payable - Long Term	5,182,134
2591 Long-Term Claims Liability	1,416,324
2000 Total Liabilities	801,473,441
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow of Resources for Pension Activities	96,644,694
2606 Deferred Inflow of Resources for OPEB	121,222,498
	217,867,192
NET POSITION	
3200 Net Investment in Capital Assets	361,452,377
3850 Restricted for Debt Service	86,051,888
3820 Restricted for Grant Funds	4,637,366
3820 Restricted for Student Nutrition Services	15,150,395
3900 Unrestricted Net Position	(95,716,573)
3000 Total Net Position	\$ 371,575,453

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, 2022

Exhibit B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		3	4		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Primary Government:					
Governmental Activities:					
11	Instruction	\$ 317,418,795	\$ 185,304	\$ 47,797,014	\$ (269,436,477)
12	Instructional Resources And Media Services	7,980,212		302,497	(7,677,715)
13	Curriculum And Staff Development	16,481,755		5,820,496	(10,661,259)
21	Instructional Leadership	9,355,818		3,571,355	(5,784,463)
23	School Leadership	32,252,551		2,058,243	(30,194,308)
31	Guidance, Counseling, And Evaluation Services	24,836,588		2,084,047	(22,752,541)
32	Social Work Services	759,241		403,675	(355,566)
33	Health Services	7,810,094		7,778,909	(31,185)
34	Student Transportation	22,384,920		554,081	(21,830,839)
35	Food Service	29,564,837	1,948,410	40,573,653	12,957,226
36	Extracurricular Activities	15,286,225	3,965,199	308,452	(11,012,574)
41	General Administration	16,676,471		665,971	(16,010,500)
51	Facilities Maintenance And Operations	54,552,442	350,428	362,595	(53,839,419)
52	Security And Monitoring Services	6,883,742		14,120	(6,869,622)
53	Data Processing Services	38,757,440		20,167,595	(18,589,845)
61	Community Services	2,754,483		678,111	(2,076,372)
71	Debt Service	-			-
72	Interest On Long-Term Debt	16,146,467		1,604,635	(14,541,832)
73	Bond Issuance Costs And Fees	21,814			(21,814)
81	Facilities Planning	541,822			(541,822)
93	Payments To Fiscal Agent Of Shared Services Arrangement	176,895		176,895	-
95	Payments To Juvenile Justice Alternative Education Programs	30,702			(30,702)
99	Intergovernmental Charges	897,947			(897,947)
TP	TP Total Primary Government	621,571,261	6,449,341	134,922,344	(480,199,576)

Data Control Codes		
General Revenues:		
Taxes:		
MT	Property Taxes, Levied For General Purposes	223,608,648
DT	Property Taxes, Levied For Debt Service	75,753,284
SF	State Aid-Formula Grants (Unrestricted)	244,406,171
GC	Grants And Contributions Not Restricted To Specific Programs	7,337,809
IE	Investment Earnings	159,053
MI	Miscellaneous	4,513,724
Special Items:		
SI	Special Items - Gain on Disposal of Assets	1,544,245
TR	Total General Revenues	557,322,934
CN	Change in Net Position	77,123,358
NB	Net Position—Beginning	294,452,095
NE	Net Position—Ending	\$ 371,575,453

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

GARLAND INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund
	<u>Fund</u>	<u>Fund</u>
ASSETS		
1110 Cash and Cash Equivalents	\$ 291,579,628	\$ 91,186,335
1220 Property Taxes Receivable - Delinquent	5,778,039	1,914,709
1230 Allowance for Uncollectible Taxes (Credit)	(402,915)	(74,661)
1240 Due From Other Governments	49,812,900	
1260 Due From Other Funds	-	
1290 Other Receivables	61,509	
1300 Inventories	1,321,726	
1000 Total Assets	<u>348,150,887</u>	<u>93,026,383</u>
LIABILITIES		
2110 Accounts Payable	7,399,293	3
2150 Payroll Deductions and Withholdings	1,745,592	
2160 Accrued Wages Payable	47,222,633	
2170 Due to Other Funds	1,690,879	
2180 Due to Other Governments	2,740	
2200 Accrued Expenditures	11,197	
2300 Unearned Revenues	21,494	
2000 Total Liabilities	<u>58,093,828</u>	<u>3</u>
DEFERRED INFLOWS OF RESOURCES		
2600 Unavailable Revenue - Property Taxes	4,471,614	1,530,753
Total Deferred Inflows of Resources	<u>4,471,614</u>	<u>1,530,753</u>
FUND BALANCES		
3410 Non-Spendable - Inventories	1,321,726	
3450 Restricted - Grant Funds		
3470 Restricted - Capital Acquisitions and Contractual Obligations		
3480 Restricted - Retirement of Long-term Debt		91,495,627
3540 Committed - Self-Insurance	7,000,000	
3545 Committed - Local Special Revenue Funds		
3550 Assigned - Construction and Capital Expenditures		
3590 Assigned - Other	1,122,900	
3600 Unassigned	276,140,819	
3000 Total Fund Balances	<u>285,585,445</u>	<u>91,495,627</u>
4000 Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 348,150,887</u>	<u>\$ 93,026,383</u>

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

60 Capital Projects	Special Revenue Fund	Total Governmental Funds
\$ 29,248,039	\$ 8,641,584	\$ 420,655,586
		7,692,748
		(477,576)
	32,789,050	82,601,950
	1,690,879	1,690,879
		61,509
	2,022,903	3,344,629
<u>29,248,039</u>	<u>45,144,416</u>	<u>515,569,725</u>
4,542,642	15,101,714	27,043,652
		1,745,592
	4,282,178	51,504,811
		1,690,879
		2,740
	210,168	221,365
	2,111,725	2,133,219
<u>4,542,642</u>	<u>21,705,785</u>	<u>84,342,258</u>
		6,002,367
-	-	<u>6,002,367</u>
	2,022,903	3,344,629
	17,764,858	17,764,858
11,743,460		11,743,460
		91,495,627
		7,000,000
	3,650,870	3,650,870
12,961,937		12,961,937
		1,122,900
		276,140,819
<u>24,705,397</u>	<u>23,438,631</u>	<u>425,225,100</u>
<u>\$ 29,248,039</u>	<u>\$ 45,144,416</u>	<u>\$ 515,569,725</u>

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GARLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Exhibit C1-R

Total Fund Balances - Governmental Funds	\$	425,225,100
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.		8,614,014
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 (\$7,194,030) are included in the net effect of consolidation above.		1,345,468,454
Accumulated depreciation/amortization has not been included in the fund financial statements. The accumulated depreciation/amortization related to internal service funds (\$6,807,801) is included in the net effect of consolidation above.		(566,210,385)
Bonds payable and related premiums have not been included in the fund financial statements		(461,796,316)
Note payable for SECO loan that has not been included as liability in the fund financial statements		(5,593,284)
Payable for Right to Use Building asset that has not been included as liability in the fund financial statements		(569,173)
Accrued liabilities for compensated absences due in more than one year have not been reflected in the fund financial statements.		(915,906)
Revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.		6,002,367
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(6,974,492)
Loss on bond refunding has not been included in the fund financial statements.		3,289,732
Net pension liability has not been included in the fund financial statements		(80,131,846)
Net OPEB liability has not been included in the fund financial statements		(158,355,733)
Deferred outflows of resources relating to pension activities have not been included in the fund financial statements		47,930,252
Deferred outflows of resources relating to OPEB activities have not been included in the fund financial statements		33,459,861
Deferred inflows of resources relating to pension activities have not been included in the fund financial statements		(96,644,694)
Deferred inflows of resources relating to OPEB activities have not been included in the fund financial statements		(121,222,498)
Net Position of Governmental Activities	\$	<u>371,575,453</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, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES:		
5700 Total local and intermediate sources	\$ 229,730,810	\$ 75,835,943
5800 State program revenues	270,377,081	1,132,641
5900 Federal program revenues	14,614,791	471,994
5020 Total Revenues	<u>514,722,682</u>	<u>77,440,578</u>
EXPENDITURES:		
Current:		
0011 Instruction	287,422,968	
0012 Instructional Resources and Media Services	7,683,179	
0013 Curriculum and Instructional Staff Development	12,658,314	
0021 Instructional Leadership	6,697,377	
0023 School Leadership	32,514,715	
0031 Guidance, Counseling, and Evaluation Services	24,598,418	
0032 Social Work Services	486,204	
0033 Health Services	7,881,155	
0034 Student (Pupil) Transportation	19,551,306	
0035 Food Services	18,839	
0036 Cocurricular/Extracurricular Activities	11,789,595	
0041 General Administration	16,875,203	
0051 Facilities Maintenance and Operations	42,260,688	
0052 Security and Monitoring Services	6,960,193	
0053 Data Processing Services	15,652,258	
0061 Community Services	1,460,411	
Debt Service:		
0071 Debt Service-Principal on Long-Term Debt	720,925	42,265,000
0072 Debt Service-Interest on Long-Term Debt		20,559,389
0073 Debt Service-Bond Issuance Cost and Fees		21,815
Capital Outlay:		
0081 Facilities Acquisition and Construction	12,664	
Intergovernmental:		
0093 Payments Related to Shared Services Arrangements		
0095 Payments to Juvenile Justice Alternative Ed Program	30,702	
0099 Other Intergovernmental Charges	897,947	
6030 Total Expenditures	<u>496,173,061</u>	<u>62,846,204</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	18,549,621	14,594,374
OTHER FINANCING SOURCES (USES):		
7912 Sale of Real and Personal Property	1,408,245	
7915 Transfers In		
8911 Transfers Out	(5,317,037)	
7080 Total Other Financing Sources (Uses)	<u>(3,908,792)</u>	<u>-</u>
1200 Net Change in Fund Balances	14,640,829	14,594,374
0100 Fund Balance - July 1 (Beginning)	<u>270,944,616</u>	<u>76,901,253</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 285,585,445</u>	<u>\$ 91,495,627</u>

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

60 Capital Projects	Special Revenue Fund	Total Governmental Funds
\$ 32,669	\$ 5,697,847	\$ 311,297,269
	4,452,043	275,961,765
<u>76,108</u>	<u>121,006,578</u>	<u>136,169,471</u>
<u>108,777</u>	<u>131,156,468</u>	<u>723,428,505</u>
198,686	46,328,419	333,950,073
	354,777	8,037,956
	5,836,281	18,494,595
	3,571,355	10,268,732
	2,284,000	34,798,715
	2,084,078	26,682,496
	403,676	889,880
	504,502	8,385,657
3,482,196	554,081	23,587,583
	31,242,400	31,261,239
	1,645,225	13,434,820
17,800	662,928	17,555,931
174,175	363,861	42,798,724
	18,890	6,979,083
508,380	20,091,487	36,252,125
	658,994	2,119,405
		42,985,925
		20,559,389
		21,815
11,042,199		11,054,863
	176,895	176,895
		30,702
		897,947
<u>15,423,436</u>	<u>116,781,849</u>	<u>691,224,550</u>
(15,314,659)	14,374,619	32,203,955
136,000		1,544,245
4,317,037		4,317,037
		(5,317,037)
<u>4,453,037</u>	<u>-</u>	<u>544,245</u>
(10,861,622)	14,374,619	32,748,200
<u>35,567,019</u>	<u>9,064,012</u>	<u>392,476,900</u>
<u>\$ 24,705,397</u>	<u>\$ 23,438,631</u>	<u>\$ 425,225,100</u>

GARLAND INDEPENDENT SCHOOL DISTRICT Exhibit C-3
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, 2022

Total Net Change in Fund Balance - Governmental Funds	\$ 32,748,200
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.	862,531
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 2022 capital outlays is to increase net position by total governmental activities additions (\$155,666,620) less internal service fund additions (\$4,074).	15,662,546
Depreciation/Amortization 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/amortization is to decrease net position. The depreciation/amortization related to internal service funds (\$507,775) is included in the net effect of consolidation above.	(36,032,432)
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.	42,265,000
Current year SECO payment is in the fund financial statements but shown as reductions in long-term debt in the government-wide financial statements.	451,473
Amortization of the premium of current interest bonds is only reported in the government-wide financial statements.	4,631,383
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.	735,280
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.	(300,228)
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.	(920,585)
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 decrease is an increase net position.	63,286
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	(13,442,874)
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	5,625,616
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	(61,544,546)
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	4,999,005
Changes in the net pension liability are not shown in the fund financial statements. The net effect of the current year's decrease is to increase net position.	82,854,565
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.	(1,534,862)
Change in Net Position of Governmental Activities	<u><u>\$ 77,123,358</u></u>

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

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2022

Exhibit D-1

		Governmental <u>Activities</u>
		<u>Internal Service Funds</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	12,632,486
Other Receivables		80,613
Total Current Assets		<u>12,713,099</u>
Noncurrent Assets:		
Capital Assets:		
Land Improvements		251,316
Building and Building Improvements		306,564
Furniture and Equipment		2,999,175
Right to Use Asset - Equipment		3,636,975
Accumulated Depreciation-Other Land Improvements		(142,544)
Accumulated Depreciation-Building and Building Improvements		(181,270)
Accumulated Depreciation-Furniture and Equipment		(3,636,975)
Accumulated Amortization-Right to Use Equipment		(2,847,012)
Total Noncurrent Assets		<u>386,229</u>
Total Assets		<u>13,099,328</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable		332,150
Interest Payable		142
Accrued Wages Payable		25,892
Claims Liability		1,918,013
Unearned Revenues		725,987
Total Current Liabilities		<u>3,002,184</u>
Noncurrent liabilities:		
Right to Use Lease Asset Payable - Due within one year		66,806
Claims Liability Long-Term		1,416,324
Total Noncurrent liabilities		<u>1,483,130</u>
Total Liabilities		<u>4,485,314</u>
NET POSITION		
Net Investment in Capital Assets		319,423
Unrestricted Net Position		8,294,591
Total Net Position	\$	<u>8,614,014</u>

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, 2022

Exhibit D-2

		Governmental <u>Activities</u>
		<u>Internal Service Funds</u>
OPERATING REVENUES:		
Local and Intermediate Sources	\$	7,649,672
Total Operating Revenues		<u>7,649,672</u>
OPERATING EXPENSES:		
Payroll Costs		1,865,562
Professional and Contracted Services		2,546,168
Supplies and Materials		456,354
Other Operating Costs		2,404,924
Depreciation/Amortization		507,775
Total Operating Expenses		<u>7,780,783</u>
Operating Income (Loss)		<u>(131,111)</u>
NONOPERATING REVENUES (EXPENSES):		
Interest on Capital Lease		(6,358)
Transfer In		1,000,000
Total Nonoperating Revenues (Expenses)		<u>993,642</u>
Change in Net Position		862,531
Total Net Position - July 1 (Beginning)		<u>7,751,483</u>
Total Net Position - June 30 (Ending)	\$	<u><u>8,614,014</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, 2022

Exhibit D-3

	Governmental <u>Activities</u>
	<u>Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Received from User Charges	\$ 3,996,914
Cash Received from Assessments - Other Funds	3,907,314
Cash Payments to Employees for Services	(1,859,403)
Cash Payments for Insurance Claims	(1,648,526)
Cash Payments to Suppliers	(300,003)
Cash Payments for Other Operating Expenses	(105,571)
Cash Payments for Prof. and Contracted Services	(2,543,888)
Net Cash Provided by (Used for) Operating Activities	1,446,837
Cash Flows from Noncapital Financing Activities:	
Transfer In	1,000,000
Net Cash Provided by (Used for) Noncapital Financing Activities	1,000,000
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	(4,074)
Lease Payments	(412,509)
Lease Interest Expense	(6,358)
Net Cash Provided by (Used for) Capital Financing Activities	(422,941)
Net Increase in Cash and Cash Equivalents	2,023,896
Cash and Cash Equivalents at Beginning of the Year	10,608,590
Cash and Cash Equivalents at the End of the Year	12,632,486
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	(131,111)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation/Amortization	507,775
Assets and Liabilities:	
Decrease in Other Receivables	73,110
Decrease in Accounts Payable	150,410
Decrease in Accrued Wages Payable	6,159
Increase in Unearned Revenue	228,202
Decrease in Claims Liability	612,292
Net Cash Provided by (Used for) Operating Activities	\$ 1,446,837

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

GARLAND INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET POSITION – FIDUCIARY FUNDS
 JUNE 30, 2022

Exhibit E-1

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 700,818
Total Assets	700,818
LIABILITIES	
Accounts Payable	66,372
Total Liabilities	66,372
NET POSITION	
Restricted for student	
scholarships and other activities	634,446
Total Net Position	\$ 634,446

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, 2022

Exhibit E-2

	Custodial Funds
ADDITIONS	
Activity fund revenues	\$ 968,566
Total Additions	968,566
 DEDUCTIONS	
Activity fund expenses	858,186
Total Deductions	858,186
CHANGE IN NET POSITION	110,380
Net position - beginning of year	524,066
Net position - end of year	\$ 634,446

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, 2022

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, 2022

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/amortization 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, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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/amortization 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 the benefit of student and employee groups, neither of which are held in trust, to which the District provides accounting services. The District does not have administrative or financial involvement and the student and employee groups are not part of the District's financial reporting entity. 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, 2022

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, 2022

Note 1. Summary of Significant Accounting Policies – continued

Property Taxes (continued)

The tax rates assessed for the fiscal year ended June 30, 2022 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.9384 and \$0.3179 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, 2022, taxes receivable net of estimated uncollectible taxes, aggregated \$5,375,124 and \$1,840,048 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, 2022

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 are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life more than one year. As the District constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible capital assets of the primary government are depreciated/amortized 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
Right to Use Leased Asset- Equipment	3 - 20 Years
Right to Use Leased Asset- Building	3 - 45 Years

Leases

The District is a lessee for a noncancelable lease of buildings and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies – continued

Leases (continued)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require are measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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.

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, 2022 will change.

Implementation of New Standards

GASB No. 87, Leases, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies – continued

GASB 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 in June 2020. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021. This pronouncement was not applicable to the District.

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

GASB No. 92, Omnibus 2020 in January 2020. This Statement addresses a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for periods beginning after June 15, 2021 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year.

GASB No. 93, Replacement of Interbank Offered Rates in March 2020. This Statement will address accounting and financial reporting issues and implications that result from the replacement of an interbank offered rates. The requirements of this Statement are effective for periods beginning after June 15, 2020, June 15, 2021 and December 31, 2021, depending on the paragraph, as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year.

GASB No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements in March 2020. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2022.

GASB No. 95, Postponements of Effective Dates of Certain Authoritative Guidance in May 2020. The Statement was issued to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. See references to GASB Statement No. 95 within the various pronouncements above to determine the impact on each individual statement. The requirements of this Statement are effective immediately.

GASB No. 96, Subscription-Based Information Technology Arrangements in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022.

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.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 2. Cash and Investments – continued

At June 30, 2022, the carrying amount of the District’s deposits was \$14,406,121 and the bank balance was \$17,018,984. 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, 2022 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, 2022, 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	AAAm	\$ 155,018,460	\$ 155,018,460	\$ -	\$ -
Texas CLASS	AAAm	45,749,525	45,749,525		
Lone Star	AAAm	5,624,919	5,624,919		
U.S. Treasury Bill	AA+	24,986,175	24,986,175		
Federal Home Loan Bank	AA+	24,938,493		24,938,493	
Federal Home Loan Bank	AA+	24,899,829		24,899,829	
Federal Home Discount Note	AA+	24,828,365		24,828,365	
Federal Home Discount Note	AA+	24,774,269		24,774,269	
Federal Home Discount Note	AA+	14,819,705		14,819,705	
Federal Home Loan Bank	AA+	14,819,704		14,819,704	
Federal Home Discount Note	AA+	14,817,495		14,817,495	
Federal Home Discount Note	AA+	14,781,741			14,781,741
Federal Home Loan Bank	AA+	14,737,396			14,737,396
U.S. Treasury Bill	AA+	14,767,560			14,767,560
Total Investments		\$ 419,563,636	\$ 231,379,079	\$ 143,897,860	\$ 44,286,697

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 2. Cash and Investments – continued

Investments' fair value measurements are as follows at June 30, 2022:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
U.S. Treasury Bill	\$ 24,986,175	\$ -	\$ 24,986,175	\$ -
Federal Home Loan Bank	24,938,493		24,938,493	
Federal Home Loan Bank	24,899,829		24,899,829	
Federal Home Discount Note	24,828,365		24,828,365	
Federal Home Discount Note	24,774,269		24,774,269	
Federal Home Discount Note	14,819,705		14,819,705	
Federal Home Loan Bank	14,819,704		14,819,704	
Federal Home Discount Note	14,817,495		14,817,495	
Federal Home Discount Note	14,781,741		14,781,741	
Federal Home Loan Bank	14,737,396		14,737,396	
U.S. Treasury Bill	14,767,560		14,767,560	
Total Investments	<u>\$ 213,170,732</u>	<u>\$ -</u>	<u>\$ 213,170,732</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, 2022 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, 2022

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, 2022, the fund had a weighted average maturity of 12 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, 2022

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, 2022, TexPool had a weighted average maturity of 25 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, 2022

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, 2022, Texas CLASS has a weighted average maturity of 70 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. All deposits not covered by FDIC insurance but held in the depository bank, were fully collateralized.

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, 2022, 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	\$ 49,812,900	\$ 28,282,050	\$ 78,094,950
Due from the Federal Government		4,507,000	4,507,000
Total	\$ 49,812,900	\$ 32,789,050	\$ 82,601,950

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 4. Capital Assets

Capital asset activity of the District for the fiscal year ended June 30, 2022, was as follows:

Governmental Activities:	Beginning Balance 7/1/2021, as restated	Additions	Retirements	Transfers	Ending Balance 6/30/2022
Non-Depreciable Assets					
Land	\$ 35,835,595	\$ -	\$ -	\$ -	\$ 35,835,595
Construction In Progress	40,821,365	8,158,975		(25,146,695)	23,833,645
Total Non-Depreciable Assets	<u>76,656,960</u>	<u>8,158,975</u>		<u>(25,146,695)</u>	<u>59,669,240</u>
Depreciable Assets					
Land Improvements	56,916,237				56,916,237
Building & Building Improvements	1,053,884,323	2,031,800		24,809,144	1,080,725,267
Furniture & Equipment	149,181,499	5,475,845	(4,091,956)	337,551	150,902,939
Right to Use - Building	811,826				811,826
Right to Use - Equipment	<u>3,232,867</u>	<u>404,108</u>			<u>3,636,975</u>
Total Depreciable Assets	<u>1,264,026,752</u>	<u>7,911,753</u>	<u>(4,091,956)</u>	<u>25,146,695</u>	<u>1,292,993,244</u>
Less Accumulated Depreciation/Amortization for:					
Land Improvements	34,273,855	2,167,195			36,441,050
Building & Building Improvements	383,944,991	25,213,959			409,158,950
Furniture & Equipment	118,875,570	8,749,086	(4,091,956)		123,532,700
Right to Use - Building	811,826	248,511			248,511
Right to Use - Equipment	<u>3,232,867</u>	<u>404,108</u>			<u>3,636,975</u>
Total Accumulated Depreciation/Amortization	<u>540,327,283</u>	<u>36,782,859</u>	<u>(4,091,956)</u>	<u>-</u>	<u>573,018,186</u>
Governmental Activities-Capital Assets, being depreciated/amortized, net	<u>723,699,469</u>	<u>(28,871,106)</u>	<u>-</u>	<u>25,146,695</u>	<u>719,975,058</u>
Governmental Activities-Capital Assets, Net	<u>\$ 800,356,429</u>	<u>\$(20,712,131)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 779,644,298</u>

Total Governmental Activities - Capital Assets include cost of assets held in internal service funds and related accumulated depreciation/amortization amounting to \$7,194,030 and \$6,807,801 respectively.

Depreciation/Amortization expense was charged to governmental functions as follows:

11 Instruction	\$ 10,658,649
12 Instructional Resources and Media Services	438,805
21 Instructional Leadership	139,899
23 School Leadership	241,608
31 Guidance, Counseling and Evaluation Services	89,119
33 Health Services	91,507
34 Student (Pupil) Transportation	3,210,640
35 Food Services	1,482,571
36 Cocurricular/Extracurricular Activities	2,305,377
41 General Administration	323,591
51 Plant Maintenance and Operations	13,040,676
52 Security and Monitoring Services	56,315
53 Data Processing Services	3,311,704
61 Community Services	884,623
Internal Service Fund Depreciation/Amortization	<u>507,775</u>
	<u>\$ 36,782,859</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 4. Capital Assets – continued

As of June 30, 2022, the District had the following major commitments with respect to unfinished major capital projects.

	Project Authorization	Remaining Commitment
Harris Hill Renovation	\$ 11,366,953	\$ 6,294,351
District Roofing	13,206,779	344,816
HVAC Energy Mgmt Controls	168,717	43,979
District Flooring	3,616,169	792,772
Exterior Painting	1,807,533	1,713,943
HS Synthetic Track Resurfacing	850,124	519,820
Rowlett P-Tech Storefront	1,000,000	832,574
Fire Alarm Replacement	972,730	130,860
Walnut Glen Kitchen Sewer	82,971	45,801
O'Banion Ramp	369,600	300,274
Total	<u>\$ 33,441,576</u>	<u>\$ 11,019,190</u>

Note 5. Unearned Revenue

Governmental and internal service funds unearned revenue at June 30, 2022 consisted of the following:

	General Fund	Special Revenue Fund	Internal Service Fund	Total
Food Service Meals	\$ -	\$ 249,576	\$ -	\$ 249,576
Grants		1,862,149		1,862,149
Event Tickets			725,987	725,987
Other	21,494			21,494
	<u>\$ 21,494</u>	<u>\$ 2,111,725</u>	<u>\$ 725,987</u>	<u>\$ 2,859,206</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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, 2022:

	July 1, 2021 Obligations as restated	New Obligations Incurred	Obligations Retired or Transferred	June 30, 2022 Obligations	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 459,545,000	\$ -	\$ 42,265,000	\$ 417,280,000	\$ 41,900,000
Premium on bond issuance	49,147,699		4,631,383	44,516,316	
Notes Payable	<u>6,044,757</u>	<u>-</u>	<u>451,473</u>	<u>5,593,284</u>	<u>411,150</u>
Total Bonds and Notes Payable	<u>514,737,456</u>	<u>-</u>	<u>47,347,856</u>	<u>467,389,600</u>	<u>42,311,150</u>
Other Liabilities:					
Net Pension Liability	162,986,411	(69,426,682)	13,427,883	80,131,846	
Net OPEB Liability	156,820,871	4,979,351	3,444,489	158,355,733	
Workers Compensation					
Self-Insurance Liability	2,722,045	1,706,199	1,093,907	3,334,337	1,918,013
Right to Use Lease Liability	1,290,264	-	654,286	635,978	316,042
Vested Sick Leave	<u>1,063,049</u>	<u>414,258</u>	<u>480,806</u>	<u>996,861</u>	<u>80,955</u>
Total Other Liabilities	<u>324,882,640</u>	<u>(62,326,874)</u>	<u>19,101,371</u>	<u>243,454,755</u>	<u>2,315,010</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 839,620,096</u>	<u>\$ (62,326,874)</u>	<u>\$ 66,449,227</u>	<u>\$ 710,844,355</u>	<u>\$ 44,626,160</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, 2022

Note 6. Long-Term Obligations – continued

Bonds payable and contractual obligations at June 30, 2022 are composed of the following individual issues:

Description	Interest Rate	Amounts Original Issue	Amounts Outstanding at July 1, 2021	Retired/ Refunded	Amounts Outstanding at June 30, 2022
Qualified School Construction Bonds - 2009B Matures 2019 - 2024	0.0%	\$ 10,185,000	\$ 5,065,000	\$ 1,690,000	\$ 3,375,000
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	8,090,000	2,225,000	5,865,000
Unlimited Tax Building and Refunding Series - 2015A Matures 2016 - 2035	2.0% to 5.0%	185,740,000	153,810,000	6,875,000	146,935,000
Unlimited Tax Refunding Bonds - 2016 Matures 2020 - 2031	2.5% to 5.0%	40,560,000	34,105,000	3,640,000	30,465,000
Unlimited Tax School Building Bonds - 2016 Matures 2017 - 2036	2.0% to 5.0%	150,250,000	110,935,000	5,195,000	105,740,000
Unlimited Tax School Building Bonds - 2018 Matures 2019 - 2038	5.0%	78,565,000	64,510,000	2,470,000	62,040,000
Unlimited Tax Refunding Bonds - 2019 Matures 2020 - 2029	3.0% to 5.0%	14,525,000	3,400,000	1,835,000	1,565,000
Unlimited Tax Refunding Bonds - 2019A Matures 2020 - 2024	5.0%	28,420,000	20,160,000	8,080,000	12,080,000
Unlimited Tax Refunding Bonds - 2020 Matures 2021 - 2028	5.0%	<u>47,830,000</u>	<u>46,985,000</u>	<u>10,255,000</u>	<u>36,730,000</u>
Total		<u>\$ 595,285,000</u>	<u>\$ 459,545,000</u>	<u>\$ 42,265,000</u>	<u>\$ 417,280,000</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, \$91,495,627 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.

The District did not have any new issuances or refunding during the current year.

The annual requirements to pay principal and interest on the bond obligations outstanding as of June 30, 2022 are as follows:

Year Ended June 30	Principal	Interest	Requirements
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	29,770,000	11,853,536	41,623,536
2028-2032	142,835,000	40,342,682	183,177,682
2033-2037	98,735,000	11,869,438	110,604,438
2038	5,495,000	274,750	5,769,750
	<u>\$ 417,280,000</u>	<u>\$ 127,537,052</u>	<u>\$ 544,817,052</u>

As of June 30, 2022, 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 13 years remaining on the loan.

Year Ended June 30	Principal	Interest	Requirements
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	427,845	40,083	467,928
2028 - 2032	2,204,262	135,375	2,339,637
2033 - 2035	1,291,743	27,615	1,319,358
	<u>\$ 5,593,284</u>	<u>\$ 405,348</u>	<u>\$ 5,998,632</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, 2022

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 \$996,861. Of this amount, \$80,955 is recorded in the General Fund in accrued wages for the amount due to retired employees as of June 30, 2022.

Note 8. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2022 arose in the normal course of operations and consisted of the following individual fund receivable and payable balances:

TO Special Revenue Fund	FROM General Fund	\$ 1,690,879
Total Due From Other Funds		<u>\$ 1,690,879</u>
FROM General Fund	TO Special Revenue Fund	\$ 1,690,879
Total Due To Other Funds		<u>\$ 1,690,879</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, 2022 were as follows:

	Transfers In		
Transfers Out	Capital Projects	Internal Service Fund	Total
General Fund	\$ 4,317,037	\$ 1,000,000	\$ 5,317,037
	\$ 4,317,037	\$ 1,000,000	\$ 5,317,037

In the fund financial statements, \$5,317,037 was transferred out of the General Fund. Of that total \$4,317,037 was transferred into to Capital Projects Fund for construction renovations projects and priority maintenance equipment items. In addition, \$1,000,000 was transferred in the Curtis Culwell Internal Service Fund for video and scoreboard upgrades.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 223,832,925	\$ 75,829,235	\$ -	\$ -	\$ 299,662,160
Investment earning	119,676	6,708	32,669		159,053
Other intermediate	465,000			3,172,742	3,637,742
Tuition and Fees	86,698			63,202	149,900
Rental	350,428				350,428
Insurance Recovery	2,999,424				2,999,424
Sponsorships	225,000				225,000
Gifts				87,927	87,927
Other	859,707			425,566	1,285,273
Food service				1,948,410	1,948,410
Athletics	791,952				791,952
Total	<u>\$ 229,730,810</u>	<u>\$ 75,835,943</u>	<u>\$ 32,669</u>	<u>\$ 5,697,847</u>	<u>\$ 311,297,269</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, 2022, 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 \$650,000 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, 2022, 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, 2022

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, 2022, was \$3,334,337 and is recorded as an accrued expenditure in the Risk Management Internal Service Fund.

In fiscal years 2022 and 2021, changes in workers' compensation claims liability amounts were:

Internal Service Fund	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2021 - Risk Management	\$ 2,870,970	\$ 883,914	\$ 1,032,839	\$ 2,722,045
2022- Risk Management	\$ 2,722,045	\$ 1,706,199	\$ 1,093,907	\$ 3,334,337

At June 30, 2022, the District held \$7,730,346 in cash and cash equivalents 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 committing \$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 committing 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, 2022

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 Annual Comprehensive 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/acfr-2021.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, 2022

Note 11. Retirement Plan - continued

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 86th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan years 2021 and 2022.

	Contribution Rates	
	Plan Fiscal Year	
	<u>2021</u>	<u>2022</u>
Member	7.7%	8.0%
Employer	7.5%	7.75%
District	7.5%	7.75%

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).

	For the Fiscal Year Ended June 30, 2022
	<u>TRS</u>
	<u>Contributions</u>
Member (Employee)	\$ 30,604,281
Non-employer contributing agency (State)	19,990,966
District	14,715,978

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, 2022

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, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021. 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, 2020. The actuarial methods and assumption were primarily based on a study of actual experience for the three-year period ending August 31, 2020 and were adopted in July 2020.

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

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate	1.95%*
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%, including Inflation
Benefit changes during the year	None
Ad Hoc Post- Employment Benefit Changes	None

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, 2020.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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, 2021 are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy and Natural Resources, and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Asset Allocation Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Total	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2021.

⁴ 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, 2022

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	\$ 175,100,801	\$ 80,131,846	\$ 3,083,196

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

At June 30, 2022, the District reported a liability of \$80,131,846 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	0.3147%
District's proportionate share of the net pension liability	\$ 80,131,846
State's proportionate share of the net pension liability associated with the District	122,192,639
Total	\$ 202,324,485

The Net Pension Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 through August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.3147% which was a increase from its proportion measured as of August 31, 2020 of 0.3043%.

Changes since the Prior Actuarial Valuation

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

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, 2022

Note 11. Retirement Plan - continued

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$6,763,326. The District also recognized on behalf pension expense and revenue of \$488,511 representing pension expense incurred by the State on behalf of the District.

At June 30, 2022, 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 experience	\$ 134,098	\$ (5,641,345)
Changes of assumption	28,325,042	(12,347,289)
Net difference between projected and actual earnings on pension plan investments	-	(67,189,513)
Changes in proportion and differences between District contributions and proportionate share of contributions	7,047,448	(11,466,547)
District contributions subsequent to the measurement date	12,423,664	-
Total	\$ 47,930,252	\$ (96,644,694)

The \$12,423,664 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, 2023. 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
2023	\$ (10,681,971)
2024	(11,334,291)
2025	(16,864,735)
2026	(21,841,820)
2027	(497,333)
Thereafter	82,044
	\$ (61,138,106)

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 Annual Comprehensive 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/acfr-2021.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, 2022

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, 2021 - Dec 31, 2021	
	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, 2022

Note 12. Retiree Health Plan - continued

	Contribution Rates	
	2022	2021
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%

	Fiscal Year (2022)
	Contributions
Member (Employee)	\$ 2,502,597
Non-Employer Contributing Agency (State)	5,830,063
District	3,444,489

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, 2020. Update procedures were used to roll forward the total OPEB liability to August 31, 2021.

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

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 basis using the ultimate improvement rates from mortality projection scale MP-2018.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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, 2021 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, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
Ad Hoc Post- Employment Benefit Changes	None

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of 0.38 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.

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 (0.95%)	Current Rate (1.95%)	1% Increase (2.95%)
District’s Proportional share of the Net OPEB Liability:	\$ 191,013,503	\$ 158,355,733	\$ 132,653,005

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 12. Retiree Health Plan - continued

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:	\$ 128,262,896	\$ 158,355,733	\$ 198,732,845

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

At June 30, 2022, the District reported a liability of \$158,355,733 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	0.4105%
District's Proportionate share of the Net OPEB Liability	\$ 158,355,733
State's Proportionate share of the Net OPEB Liability associated with the District	212,161,392
Total	\$ 370,517,125

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 through August 31, 2021.

At August 31, 2021 the employer’s proportion of the collective Net OPEB Liability was 0.4105% compared to 0.4125% as of August 31, 2020.

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 2.33 percent as of August 31, 2020 to 1.95 percent, as of August 31, 2021. This change increased the Total OPEB Liability (TOL).

For the year ended June 30, 2022, the District recognized negative OPEB expense of \$5,654,650. The District also recognized negative on-behalf expense and revenue of \$7,830,376 for support provided by the State.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 12. Retiree Health Plan - continued

At June 30, 2022, 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	\$ 6,817,964	\$ (76,655,253)
Changes in actuarial assumptions	17,539,757	(33,489,307)
Net difference between projected and actual earnings on OPEB plan investments	171,923	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,033,269	(11,077,938)
District contributions subsequent to the measurement date	2,896,948	-
Total	\$ 33,459,861	\$ (121,222,498)

The \$2,896,948 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 OPEB liability in the year ending June 30, 2023.

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

Year End June 30	Amount
2023	\$ (17,051,882)
2024	(17,055,759)
2025	(17,054,698)
2026	(12,886,352)
2027	(7,243,148)
Thereafter	(19,367,747)
	\$ (90,659,586)

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, 2022, 2021, and 2020, the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2022	\$ 1,563,074
2021	1,710,317
2020	1,772,577

The information for the fiscal year ended June 30, 2022 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.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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, 2022 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 14. Leases

During the current fiscal year, the District implemented GASB 87 for governmental leases. The District added a lease liability for two leases that were previously considered operating leases, the warehouse lease and the clinic lease. The copier lease was already recorded as a capital lease.

As of June 30, 2022, the warehouse lease has two years remaining on for the use of space located at 409 N. First Street, Garland, TX, 75042. An initial lease liability was recorded in the amount of \$480,370 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$321,164. The District is required to make monthly principal and interest payments of \$13,665. The lease has an interest rate of 1.64%. The value of the right-to-use asset as of the end of the current fiscal year was \$320,247 and had accumulated amortization of \$160,123.

As of June 30, 2022, the clinic lease has three years remaining on for the use of space located at Firewheel Plaza Shopping Center. An initial lease liability was recorded in the amount of \$331,456 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$248,009. The District is required to make monthly principal and interest payments of \$7,721. The lease has an interest rate of 1.64%. The value of the right-to-use asset as of the end of the current fiscal year was \$243,068 and had accumulated amortization of \$88,388.

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. As of June 30, 2022, the value of the lease liability was recorded in the amount of \$66,806. The value of the of the copier leased assets is included in furniture and equipment as of the end of the current fiscal year was \$3,636,975 and it is fully depreciated.

The future principal and interest lease payments as of June 30, 2022, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 316,043	\$ 7,608	\$ 323,651
2024	252,095	3,277	255,372
2025	67,841	389	68,230
Total	<u>\$ 635,979</u>	<u>\$ 11,274</u>	<u>\$ 647,253</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Note 15. Deferred Outflows of Resources

For governmental activities, the net investment in capital assets of \$361,452,377 includes the effect of deferring the recognition of losses on bond refunding's. The \$3,289,732 balance of the deferred outflow of resources at June 30, 2022 will be recognized as an expense and will decrease unrestricted net position over the next 9 years.

	July 1, 2021 Balance	New Obligations Incurred	Obligations Retired or Paid	June 30, 2022 Balance
Deferred Outflows of Resources:				
Deferred Charge on Refunding	\$ 4,210,317	\$ -	\$ 920,585	\$ 3,289,732
Deferred Outflows of Resources for Pension Activities	61,373,126	(1,019,210)	12,423,664	47,930,252
Deferred Outflows of Resources for OPEB	27,834,245	8,522,564	2,896,948	33,459,861
 Total Deferred Outflows of Resources	 \$ 93,417,688	 \$ 7,503,354	 \$ 16,241,197	 \$ 84,679,845

Note 16. Prior Period Restatement

The District implemented GASB 87 during the 2022 fiscal year. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an asset. Due to implementation, an adjustment to capital assets and long-term liability were required to recognize a lease liability and intangible right-to-use lease assets. The right to use assets did not exist at June 30, 2021.

	As originally presented	GASB 87 Implementation	Restated
<u>Capital Assets</u>			
Furniture & Equipment	\$ 152,818,474	\$ (404,108)	\$ 152,414,366
Right to Use - Building		811,826	811,826
Right to Use - Equipment		404,108	404,108
Accumulated Depreciation-Furniture & Equipment	(122,108,437)	3,232,867	(118,875,570)
Accumulated Amortization-Right to Use Equipment		(3,232,867)	(3,232,867)
Total	<u>\$ 30,710,037</u>	<u>\$ 811,826</u>	<u>\$ 31,521,863</u>
	As originally presented	GASB 87 Implementation	Restated
<u>Long-term Liabilities</u>			
Right to Use Lease Liability	\$ -	\$ 1,290,264	\$ 1,290,264
Capital Lease Liability	478,438	(478,438)	-
Total	<u>\$ 478,438</u>	<u>\$ 811,826</u>	<u>\$ 1,290,264</u>

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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, 2022

Exhibit G-1

	<u>Budgeted Amounts</u>		Actual Amounts (GAAP BASIS)	Variance With Final Budget
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 220,814,473	\$ 229,279,687	\$ 229,730,810	\$ 451,123
5800 State Program Revenues	283,757,343	270,210,503	270,377,081	166,578
5900 Federal Program Revenues	9,000,000	16,400,000	14,614,791	(1,785,209)
5020 Total Revenues	<u>513,571,816</u>	<u>515,890,190</u>	<u>514,722,682</u>	<u>(1,167,508)</u>
EXPENDITURES:				
Current:				
0011 Instruction	319,755,544	304,676,441	287,422,968	17,253,473
0012 Instructional Resources and Media Services	7,826,046	8,565,845	7,683,179	882,666
0013 Curriculum and Instructional Staff Development	15,596,228	14,666,617	12,658,314	2,008,303
0021 Instructional Leadership	8,470,547	8,461,596	6,697,377	1,764,219
0023 School Leadership	33,580,856	34,126,586	32,514,715	1,611,871
0031 Guidance, Counseling, and Evaluation Services	26,600,828	26,088,299	24,598,418	1,489,881
0032 Social Work Services	491,210	590,210	486,204	104,006
0033 Health Services	8,417,693	8,745,133	7,881,155	863,978
0034 Student (Pupil) Transportation	16,234,639	21,822,723	19,551,306	2,271,417
0035 Food Services	379,779	100,000	18,839	81,161
0036 Cocurricular/Extracurricular Activities	12,822,417	13,109,539	11,789,595	1,319,944
0041 General Administration	18,475,461	18,334,584	16,875,203	1,459,381
0051 Facilities Maintenance and Operations	48,599,006	46,441,164	42,260,688	4,180,476
0052 Security and Monitoring Services	7,282,629	7,704,198	6,960,193	744,005
0053 Data Processing Services	15,259,057	16,824,345	15,652,258	1,172,087
0061 Community Services	1,792,660	1,754,628	1,460,411	294,217
0071 Debt Service - Principal on Long-Term Debt	482,517	722,517	720,925	1,592
0081 Facilities Acquisition and Construction		27,136	12,664	14,472
0095 Payments to Juvenile Justice Alternative Ed Program	36,000	36,000	30,702	5,298
0099 Other Intergovernmental Charges	897,947	897,947	897,947	-
6030 Total Expenditures	<u>543,001,064</u>	<u>533,695,508</u>	<u>496,173,061</u>	<u>37,522,447</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,429,248)	(17,805,318)	18,549,621	(38,689,955)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property			1,408,245	1,408,245
8911 Transfers Out			(5,317,037)	(5,317,037)
7080 Total Other Financing Uses	<u>-</u>	<u>(5,317,037)</u>	<u>(3,908,792)</u>	<u>(3,908,792)</u>
1200 Net Change in Fund Balances	(29,429,248)	(23,122,355)	14,640,829	37,763,184
0100 Fund Balance - July 1 (Beginning)	270,944,616	270,944,616	270,944,616	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 241,515,368</u>	<u>\$ 247,822,261</u>	<u>\$ 285,585,445</u>	<u>\$ 37,763,184</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, 2022

Exhibit G-2

	<u>Budgeted Amounts</u>		<u>Actual Amounts (GAAP BASIS)</u>	<u>Variance With Final Budget</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 7,262,000	\$ 2,200,000	\$ 1,989,635	\$ (210,365)
5800 State Program Revenues	170,000	91,969	91,969	-
5900 Federal Program Revenues	<u>26,580,122</u>	<u>36,639,146</u>	<u>40,440,459</u>	<u>3,801,313</u>
5020 Total Revenues	<u>34,012,122</u>	<u>38,931,115</u>	<u>42,522,063</u>	<u>3,590,948</u>
EXPENDITURES:				
Current:				
0035 Food Services	<u>34,012,122</u>	<u>33,091,532</u>	<u>31,242,400</u>	<u>1,849,132</u>
6030 Total Expenditures	<u>34,012,122</u>	<u>33,091,532</u>	<u>31,242,400</u>	<u>1,849,132</u>
1200 Net Change in Fund Balances	<u>-</u>	<u>5,839,583</u>	<u>11,279,663</u>	<u>5,440,080</u>
0100 Fund Balance - July 1 (Beginning)	<u>3,870,733</u>	<u>3,870,733</u>	<u>3,870,733</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 3,870,733</u>	<u>\$ 9,710,316</u>	<u>\$ 15,150,396</u>	<u>\$ 5,440,080</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, 2022

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 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, 2022

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

- \$5,650,000 increase in local revenue to higher than projected tax collections
- \$1,875,000 increase in local revenue due to insurance proceeds from winter storm claims.
- \$12,600,000 increase in state revenue due to capture additional revenue from hold harmless for additional state homestead exemption.
- \$7,207,000 decrease in state funding due to changes in Teacher Incentive Allotment
- \$7,000,000 increase in federal funding for additional indirect costs reimbursements received from federal grant awards.

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:

- \$4,317,000 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.
- \$1,000,000 transfer out to the Curtis Culwell Center Internal Service Fund for video and scoreboard upgrades.

After appropriations were amended as described above, actual revenues were \$1,167,508 less than final budgeted amounts due to less revenue from federal programs indirect cost reimbursement than final budgeted estimates. Actual expenditures were \$37,522,447 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

- \$5,062,000 decrease in local revenue sources due reduced a la carte sales.
- \$78,000 decrease in state lunch matching.
- \$2,059,000 increased in federal revenue for the funding from the Child Nutrition Emergency Operational Cost Reimbursement Program
- \$8,000,000 increase in federal revenue sources due to increased participation and funding from federal program reimbursement.

Expenditures

- \$579,000 increase in food services expenditures due to equity adjustment for Child Nutrition employees.
- \$1,500,000 decrease in food services expenditures due to higher than expected vacancy rate.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

Note 1. Stewardship, Compliance, and Accountability – continued

Actual revenues were \$3,590,948 greater than final budgeted amounts due to more revenue in federal sources than final budgeted estimates. Actual expenditures were \$1,849,132 less than final budget amounts due to the year-end payroll accrual being less than estimated and higher than normal vacancy rate. Year-end expenditures were less than revenue, thus increasing existing fund balance.

DEBT SERVICE FUND

Revenues

- \$2,267,000 increase in local revenue after the debt service tax rate adoption.
- \$2,000,000 increase in local revenue due to collections coming in higher than the projected 98% collection rate.
- \$1,000,000 increase in state revenue due hold harmless for additional state homestead exemption.

After appropriations were amended as described above, actual revenues were \$966,796 greater than final budgeted amounts due to more revenue in local and intermediate sources than final budgeted estimates. Actual expenditures were \$977,185 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, 2022**

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

Exhibit G-3

	2021	2020	2019	2018
District's proportion of the net pension liability	0.3147%	0.3043%	0.3395%	0.3392%
District's proportionate share of the net pension liability	\$ 80,131,846	\$ 162,986,411	\$ 176,503,815	\$ 186,722,443
State's proportionate share of the net pension liability associated with the District	122,192,639	262,092,489	252,140,175	276,023,160
Total	\$202,324,485	\$425,078,900	\$428,643,990	\$462,745,603
District's covered payroll (for Measurement Year)	\$ 387,363,687	\$ 377,293,999	\$ 368,013,193	\$ 358,144,722
District's proportionate share of the net pension liability as a percentage of it's covered-payroll	20.69%	43.20%	47.96%	52.14%
Plan fiduciary net position as a percentage of the total pension liability *	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll *	51.08%	110.36%	114.93%	52.14%
	2017	2016	2015	2014
District's proportion of the net pension liability	0.3214%	0.3313%	0.3352%	0.2153%
District's proportionate share of the net pension liability	\$ 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	171,872,468	204,940,921	203,123,426	179,684,773
Total	\$274,635,455	\$330,119,995	\$321,624,996	\$237,212,384
District's covered payroll (for Measurement Year)	\$ 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 it's covered-payroll	29.43%	36.29%	35.31%	17.86%
Plan fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	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' annual comprehensive financial report.

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

Exhibit G-4

	2022	2021	2020	2019*	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 14,715,978	\$ 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
Contributions in relation to the contractual required contributions	14,715,978	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 385,010,955	\$ 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
Contributions as a percentage of covered payroll	3.82%	3.46%	3.28%	3.24%	3.23%	3.10%	3.01%	2.95%	1.70%	1.46%

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

2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

GARLAND INDEPENDENT SCHOOL DISTRICT
TEACHER RETIREMENT SYSTEM OF TEXAS
FISCAL YEAR ENDED JUNE 30, 2022

Changes of Benefit Terms

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

Other Information

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

Schedule of The District's Proportionate Share of the Net OPEB Liability Exhibit G-5
Last Five Measurement Years

	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.41052%	0.41250%	0.43220%	0.43300%	0.41543%
District's proportionate share of the net OPEB liability	\$ 158,355,733	\$ 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	212,161,392	210,729,659	271,593,152	303,753,062	272,038,822
Total	<u>\$ 370,517,125</u>	<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)	\$ 387,363,687	\$ 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	40.88%	41.56%	55.54%	60.37%	51.74%
Plan fiduciary net position as a percentage of the total OPEB liability *	6.18%	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	100.13%	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' annual comprehensive financial report.

Schedule of The District's Contributions for Other Post-Employment Benefits (OPEB) Exhibit G-6
Last Five Fiscal Years

	2022	2021	2020	2019*	2018
Contractually required contributions	\$ 3,444,489	\$ 3,194,942	\$ 3,119,673	\$ 2,546,976	\$ 2,999,519
Contributions in relation to the contractual required contributions	<u>3,444,489</u>	<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>	<u>\$ -</u>
District's covered payroll	\$ 385,010,955	\$ 385,003,791	\$ 376,867,068	\$ 303,878,167	\$ 358,144,722
Contributions as a percentage of covered payroll	0.89%	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, 2022

Changes in Assumptions

2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

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.

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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, 2022

	751 Motor Pool	752 Print Shop	753 Risk Management
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 104,143	\$ 1,529,841	\$ 7,730,346
Other Receivables	-	10,134	70,243
Total Current Assets	<u>104,143</u>	<u>1,539,975</u>	<u>7,800,589</u>
Noncurrent Assets:			
Capital Assets:			
Land Improvements			
Building and Building Improvements			7,720
Furniture and Equipment	418,237	1,571,706	113,184
Right to Use Asset - Equipment			
Accumulated Depreciation - Other Land Improvements			
Accumulated Depreciation - Building and Building Improvements			(7,720)
Accumulated Amortization - Right to Use Asset - Equipment			
Accumulated Depreciation - Furniture and Equipment	(418,237)	(1,475,700)	(113,184)
Total Noncurrent Assets	<u>-</u>	<u>96,006</u>	<u>-</u>
Total Assets	<u><u>104,143</u></u>	<u><u>1,635,981</u></u>	<u><u>7,800,589</u></u>
LIABILITIES			
Current Liabilities:			
Accounts Payable		7,200	39,442
Interest Payable			
Accrued Wages Payable		6,339	
Claims Liability			1,918,013
Unearned Revenues			
Total Current Liabilities	<u>-</u>	<u>13,539</u>	<u>1,957,455</u>
Noncurrent Liabilities:			
Right to Use Lease Asset Payable - Due within one year			
Claims Liability Long-Term	-	-	1,416,324
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>1,416,324</u>
Total Liabilities	<u>-</u>	<u>13,539</u>	<u>3,373,779</u>
NET POSITION			
Net Investment in Capital Assets	-	96,006	-
Unrestricted Net Position	104,143	1,526,436	4,426,810
Total Net Position	<u>\$ 104,143</u>	<u>\$ 1,622,442</u>	<u>\$ 4,426,810</u>

756 Copier Pool	757 Curtis Culwell Center	Total Internal Service Funds
\$ 562,873	\$ 2,705,283	\$ 12,632,486
-	236	80,613
<u>562,873</u>	<u>2,705,519</u>	<u>12,713,099</u>
	251,316	251,316
	298,844	306,564
-	896,048	2,999,175
3,636,975		3,636,975
	(142,544)	(142,544)
	(173,550)	(181,270)
(3,636,975)		(3,636,975)
-	(839,891)	(2,847,012)
-	290,223	386,229
<u>562,873</u>	<u>2,995,742</u>	<u>13,099,328</u>
101,495	184,013	332,150
142		142
	19,553	25,892
		1,918,013
	725,987	725,987
<u>101,637</u>	<u>929,553</u>	<u>3,002,184</u>
66,806		66,806
	-	1,416,324
<u>66,806</u>	-	<u>1,483,130</u>
<u>168,443</u>	<u>929,553</u>	<u>4,485,314</u>
(66,806)	290,223	319,423
461,236	1,775,966	8,294,591
<u>\$ 394,430</u>	<u>\$ 2,066,189</u>	<u>\$ 8,614,014</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, 2022

	751 Motor Pool	752 Print Shop	753 Risk Management
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 28,540	\$ 594,812	\$ 2,294,941
Total Operating Revenues	<u>28,540</u>	<u>594,812</u>	<u>2,294,941</u>
OPERATING EXPENSES:			
Payroll Costs		192,421	423,854
Professional and Contracted Services		105,586	118,892
Supplies and Materials	16,392	230,743	24,654
Other Operating Costs	-	45	2,309,034
Depreciation/Amortization	10,260	34,160	515
Total Operating Expenses	<u>26,652</u>	<u>562,955</u>	<u>2,876,949</u>
Operating Income (Loss)	<u>1,888</u>	<u>31,857</u>	<u>(582,008)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest on Capital Lease			
Transfer In			
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,888	31,857	(582,008)
Total Net Position - July 1 (Beginning)	<u>102,255</u>	<u>1,590,585</u>	<u>5,008,818</u>
Total Net Position - June 30 (Ending)	<u><u>104,143</u></u>	<u><u>\$ 1,622,442</u></u>	<u><u>\$ 4,426,810</u></u>

756 Copier Pool	757 Curtis Culwell Center	Total Internal Service Funds
\$ 1,254,136	\$ 3,477,243	\$ 7,649,672
<u>1,254,136</u>	<u>3,477,243</u>	<u>7,649,672</u>
	1,249,287	1,865,562
796,807	1,524,883	2,546,168
	184,565	456,354
-	95,845	2,404,924
404,108	58,732	507,775
<u>1,200,915</u>	<u>3,113,312</u>	<u>7,780,783</u>
<u>53,221</u>	<u>363,931</u>	<u>(131,111)</u>
(6,358)		(6,358)
-	1,000,000	1,000,000
<u>(6,358)</u>	<u>1,000,000</u>	<u>993,642</u>
46,863	1,363,931	862,531
347,567	702,258	7,751,483
<u>\$ 394,430</u>	<u>\$ 2,066,189</u>	<u>\$ 8,614,014</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	751 Motor Pool	752 Print Shop	753 Risk Management
Cash Flows from Operating Activities:			
Cash Received from User Charges	\$ 28,540	\$ -	\$ -
Cash Received from Assessments - Other Funds		594,812	2,312,502
Cash Payments to Employees for Services		(186,082)	(423,854)
Cash Payments for Insurance Claims			(1,648,526)
Cash Payments for Suppliers	(16,392)	(182,348)	(24,139)
Cash Payments for Other Operating Expenses		(45)	(9,681)
Cash Payments for Prof. and Contracted Services	-	(105,586)	(118,892)
Net Cash Provided by (Used for) Operating Activities	12,148	120,751	87,410
Cash Flows from Noncapital Financing Activities:			
Transfer In	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-	-
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets			
Lease Payments			
Lease Interest Expense	-	-	-
Net Cash Provided by (Used for) Capital Financing Activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	12,148	120,751	87,410
Cash and Cash Equivalents at Beginning of the Year:	91,995	1,409,090	7,642,936
Cash and Cash Equivalents at the End of the Year:	\$ 104,143	\$ 1,529,841	\$ 7,730,346
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss):	\$ 1,888	\$ 31,857	\$ (582,008)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation/Amortization	10,260	34,160	515
Assets and Liabilities:			
(Increase) Decrease in Other Receivables		46,756	17,561
Increase (Decrease) in Accounts Payable		1,639	39,050
Increase (Decrease) in Accrued Wages Payable		6,339	
Increase (Decrease) in Unearned Revenue			
Increase (Decrease) in Claims Liability	-		612,292
Net Cash Provided by (Used for) Operating Activities	\$ 12,148	\$ 120,751	\$ 87,410

756 Copier Pool	757 Curtis Culwell Center	Total Internal Service Funds
\$ 1,254,136	\$ 2,714,238	\$ 3,996,914
	1,000,000	3,907,314
	(1,249,467)	(1,859,403)
	(77,124)	(1,648,526)
	(95,845)	(300,003)
(794,527)	(1,524,883)	(2,543,888)
<u>459,609</u>	<u>766,919</u>	<u>1,446,837</u>
-	1,000,000	1,000,000
-	1,000,000	1,000,000
	(4,074)	(4,074)
(412,509)		(412,509)
(6,358)	-	(6,358)
<u>(418,867)</u>	<u>(4,074)</u>	<u>(422,941)</u>
40,742	1,762,845	2,023,896
522,131	942,438	10,608,590
<u>\$ 562,873</u>	<u>\$ 2,705,283</u>	<u>\$ 12,632,486</u>
\$ 53,221	\$ 363,931	\$ (131,111)
404,108	58,732	507,775
	8,793	73,110
2,280	107,441	150,410
	(180)	6,159
	228,202	228,202
		612,292
<u>\$ 459,609</u>	<u>\$ 766,919</u>	<u>\$ 1,446,837</u>

CUSTODIAL FUNDS

Custodial Funds account for monies held for the benefit of student and employee groups, neither of which are held in trust, to which the District provides accounting services. The District does not have administrative or financial involvement and the student and employee groups are not part of the District's financial reporting entity.

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 CUSTODIAL FUNDS
 JUNE 30, 2022

Exhibit H-4

	Student Activity Funds	Other Activity Funds	Total
ASSETS			
Cash and Cash Equivalents	\$ 481,506	\$ 219,312	\$ 700,818
Total Assets	481,506	219,312	700,818
LIABILITIES			
Accounts Payable	47,632	18,740	66,372
Total Liabilities	47,632	18,740	66,372
NET POSITION			
Restricted for student scholarships and other activities	433,874	200,572	634,446
Total Net Position	\$ 433,874	\$ 200,572	\$ 634,446

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION CUSTODIAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit H-5

	Student Activity Funds	Other Activity Funds	Total
ADDITIONS			
Activity fund revenues	\$ 656,955	\$ 311,611	\$ 968,566
Total Additions	656,955	311,611	968,566
DEDUCTIONS			
Activity fund expenses	572,110	286,076	858,186
Total Deductions	572,110	286,076	858,186
CHANGE IN NET POSITION	84,845	25,535	110,380
Net position - beginning of year	349,029	175,037	524,066
Net position - end of year	\$ 433,874	\$ 200,572	\$ 634,446

Required TEA Schedules Section

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2022

Last Ten Years Ended June 30	1		2	3	10
	Tax Rates		Debt Service	Net Assessed/Appraised Value For School Tax Purposes **	Beginning Balance 7/1/2021
	Maintenance				
2013 and prior years	various		various	various	\$ 954,783
2014	\$ 1.0400		\$ 0.2133	\$ 13,064,995,612	125,804
2015	1.0400		0.2133	13,678,153,355	146,600
2016	1.0400		0.3133	14,001,530,407	156,430
2017	1.0400		0.4200	15,362,186,673	190,359
2018	1.0400		0.4200	17,823,103,077	470,554
2019	1.0400		0.4200	19,701,949,552	691,841
2020	0.9700		0.4200	21,361,636,951	1,146,089
2021	0.9513		0.3050	23,585,754,912	3,921,255
2022	0.9384		0.3179	24,565,242,897	
					\$ 7,803,715

20 Current Year's Total Levy ***	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments ****	50 Ending Balance 6/30/2022
\$ -	\$ 72,486	\$ 12,576	\$ (37,130)	\$ 832,591
	8,276	1,697	(492)	115,339
	10,935	2,243	(400)	133,022
	15,296	4,608	(1,579)	134,947
	20,653	8,341	(6,274)	155,091
	42,195	17,040	(199,266)	212,053
	117,945	47,631	1,120	527,385
	129,724	56,553	(272,399)	687,413
	1,177,731	337,815	(1,374,599)	1,031,110
<u>298,877,100</u>	<u>220,473,109</u>	<u>74,663,047</u>	<u>122,853</u>	<u>3,863,797</u>
<u>\$ 298,877,100</u>	<u>\$ 222,068,350</u>	<u>\$ 75,151,551</u>	<u>\$ (1,768,166)</u>	<u>\$ 7,692,748</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, 2022

Exhibit J-2

Data Control Codes	<u>Budgeted Amounts</u>		Actual Amounts	Variance With
	<u>ORIGINAL</u>	<u>FINAL</u>	(GAAP BASIS)	Final Budget
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 70,735,788	\$ 75,002,788	\$ 75,835,943	\$ 833,155
5800 State Program Revenues		1,000,000	1,132,641	132,641
5900 Federal Program Revenues	<u>470,994</u>	<u>470,994</u>	<u>471,994</u>	<u>1,000</u>
5020 Total Revenues	<u>71,206,782</u>	<u>76,473,782</u>	<u>77,440,578</u>	<u>966,796</u>
EXPENDITURES:				
Current:				
Debt Service:				
0071 Debt Service-Principal on Long Term Debt	42,265,000	42,265,000	42,265,000	-
0072 Debt Service-Interest on Long Term Debt	20,559,389	20,560,389	20,559,389	
0073 Bond Issuance Cost and Fees	<u>1,000,000</u>	<u>999,000</u>	<u>21,815</u>	<u>977,185</u>
6030 Total Expenditures	<u>63,824,389</u>	<u>63,824,389</u>	<u>62,846,204</u>	<u>977,185</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	7,382,393	12,649,393	14,594,374	1,943,981
1200 Net Change in Fund Balances			14,594,374	
0100 Fund Balance - July 1 (Beginning)	<u>76,901,253</u>	<u>76,901,253</u>	<u>76,901,253</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 84,283,646</u>	<u>\$ 89,550,646</u>	<u>\$ 91,495,627</u>	<u>\$ 1,943,981</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
 COMPENSATORY EDUCATION PROGRAM AND
 BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit J-4

<u>Data Codes</u>	<u>Section A: Compensatory Education Programs</u>	<u>Responses</u>
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 58,192,053
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 28,317,842
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 11,910,959
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 5,116,006

Notes: The TEA spending requirement for compensatory education and bilingual education funding is 55% of the funding received from the state allotment. The District allocates PIC99 expenditures to the direct costs listed above and is in compliance with the spending requirements set by the state.

Total District spending on the state compensatory and bilingual education programs are as follows:

<u>PIC Description</u>	<u>State Allotment</u>	<u>TEA Required Spending %</u>	<u>Required Spending Total</u>	<u>Direct Spending</u>	<u>PIC 99 Spending Allocation</u>	<u>Total Spending</u>
State Compensatory Education	\$ 58,192,053	55%	\$ 32,005,629	\$ 28,317,842	\$ 3,784,814	\$ 32,102,656
Bilingual Education	11,910,959	55%	6,551,027	5,116,006	2,228,151	7,344,157

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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	82-95
These schedules contain trend information to help the reader understand how the government’s financial performance and wellbeing have changed over time.	
Revenue Capacity	96-99
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	100-102
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	103-105
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	106-119
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			
	2013	2014	2015	2016
Governmental net position				
Net investment in capital assets	\$ 157,656,333	\$ 162,891,590	\$ 173,975,555	\$ 186,102,148
Restricted				
Food Service			2,753,549	4,543,133
Debt Service	5,689,844	5,841,400	9,556,908	8,043,823
Grant Funds	7,594,789	9,155,138	3,926,659	11,563,497
Construction		6,614,366		
Unrestricted	157,811,060	163,033,042	104,414,137	90,509,434
Total governmental net position	<u>328,752,026</u>	<u>347,535,536</u>	<u>294,626,808</u>	<u>300,762,035</u>
Business-type net position				
Net investment in capital assets	11,601	9,023	6,445	-
Unrestricted	(126,232)	(130,792)	(6,661)	-
Total Business-type net position	<u>(114,631)</u>	<u>(121,769)</u>	<u>(216)</u>	<u>-</u>
Total net position				
Net investment in capital assets	157,667,934	162,900,613	173,982,000	186,102,148
Restricted				
Food Service			2,753,549	4,543,133
Debt Service	5,689,844	5,841,400	9,556,908	8,043,823
Grant Funds	10,133,840	9,155,138	3,926,659	11,563,497
Construction		6,614,366		
Unrestricted	155,145,777	162,902,250	104,407,476	90,509,434
Total net position	<u>\$ 328,637,395</u>	<u>\$ 347,413,767</u>	<u>\$ 294,626,592</u>	<u>\$ 300,762,035</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 230,598,662	\$ 291,998,041	\$ 339,849,519	\$ 352,783,669	\$ 344,843,626	\$ 361,452,377
6,624,529	10,265,688	13,250,762	7,588,492	3,861,592	15,150,395
13,172,040	22,490,186	42,716,002	64,641,353	71,019,364	86,051,888
17,492,426	14,140,160	1,728,391	1,648,765	326,321	4,637,366
<u>88,318,803</u>	<u>(177,634,686)</u>	<u>(135,726,703)</u>	<u>(125,543,118)</u>	<u>(125,598,808)</u>	<u>(95,716,573)</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>	<u>371,575,453</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
230,598,662	291,998,041	339,849,519	352,783,669	344,843,626	361,452,377
6,624,529	10,265,688	13,250,762	7,588,492	3,861,592	15,150,395
13,172,040	22,490,186	42,716,002	64,641,353	71,019,364	86,051,888
17,492,426	14,140,160	1,728,391	1,648,765	326,321	4,637,366
<u>88,318,803</u>	<u>(177,634,686)</u>	<u>(135,726,703)</u>	<u>(125,543,118)</u>	<u>(125,598,808)</u>	<u>(95,716,573)</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>	<u>\$ 371,575,453</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
Instruction	\$ 277,499,490	\$ 293,173,717	\$ 302,936,954	\$ 326,193,632
Instructional resource and media services	7,672,838	7,897,014	8,240,779	8,476,668
Curriculum and staff development services	10,248,468	11,848,699	13,966,276	15,289,822
Instructional leadership	8,659,257	9,444,098	9,476,390	9,404,380
School leadership	27,137,920	28,022,164	29,359,186	31,430,176
Guidance, counseling, and evaluation services	17,824,829	19,318,654	21,727,176	23,134,956
Social work services	942,133	1,339,419	1,253,128	1,057,374
Health services	5,446,268	6,228,989	6,545,294	6,867,464
Student transportation	11,379,383	12,966,006	13,717,097	15,154,555
Food Service	27,886,434	31,285,050	32,701,421	31,575,592
Cocurricular/Extracurricular activities	8,228,081	8,556,794	9,077,240	10,327,317
General administration	11,631,845	15,141,046	15,338,293	15,353,186
Facilities maintenance and operations	36,004,303	38,454,227	39,578,630	40,912,661
Security and monitoring services	3,812,056	4,100,656	4,348,891	6,318,189
Data processing services	14,343,551	15,490,524	24,346,683	40,659,486
Community services	2,540,248	3,198,004	3,462,272	4,063,974
Debt services	-	-	-	-
Interest on long-term debt	14,113,757	11,926,352	13,571,186	18,083,049
Bond issuance cost and fees	23,786	176,140	1,486,831	434,984
Facilities repairs and maintenance	4,540,264	5,364,055	1,605,080	1,984,797
Payments to Fiscal Agent of Shared Services Arrangement	64,011	74,889	81,790	78,603
Payments to Juvenile Justice Alternative Education Programs	5,742	4,824	10,716	30,168
Intergovernmental Charges	664,700	662,918	667,640	692,137
Total governmental activities expenses	<u>490,669,364</u>	<u>524,674,239</u>	<u>553,498,953</u>	<u>607,523,170</u>
Business-type activities				
Concessions	261,762	259,754	282,724	213
Total business-type activities expenses	<u>261,762</u>	<u>259,754</u>	<u>282,724</u>	<u>213</u>
Total expenses	<u>\$ 490,931,126</u>	<u>\$ 524,933,993</u>	<u>\$ 553,781,677</u>	<u>\$ 607,523,383</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	\$ 159,781	\$ 428,438	\$ 419,763	\$ 477,147
Curriculum and staff development				
Food service	8,939,886	9,276,095	9,272,764	7,729,332
Cocurricular/Extracurricular activities	5,410,308	5,261,990	4,292,064	4,974,632
Plant maintenance and operations	177,533	151,719	184,070	209,727
Security and monitoring services				
Community services				
Operating grants and contributions	80,546,373	90,430,370	98,476,190	114,478,252
Total governmental entities program revenue	<u>95,233,881</u>	<u>105,548,612</u>	<u>112,644,851</u>	<u>127,869,090</u>
Business-type activities				
Charges for services				
Concessions	260,455	252,564	271,241	-
Total governmental entities business-type revenue	<u>260,455</u>	<u>252,564</u>	<u>271,241</u>	<u>-</u>
Total program revenues	<u>\$ 95,494,336</u>	<u>\$ 105,801,176</u>	<u>\$ 112,916,092</u>	<u>\$ 127,869,090</u>
Net Expense				
Governmental activities	\$ (395,435,483)	\$ (419,125,627)	\$ (440,854,102)	\$ (479,654,080)
Business-type activities	(1,307)	(7,190)	(11,483)	(213)
Total net expenses	<u>\$ (395,436,790)</u>	<u>\$ (419,132,817)</u>	<u>\$ (440,865,585)</u>	<u>\$ (479,654,293)</u>

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

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 319,232,860	\$ 207,916,878	\$ 328,115,753	\$ 358,104,960	\$ 369,188,755	\$ 317,418,795	
8,397,550	6,073,555	8,207,096	9,157,876	9,072,406	7,980,212	
15,833,458	12,133,420	16,034,427	20,666,755	21,989,875	16,481,755	
9,239,512	6,132,427	8,474,957	10,023,316	10,519,666	9,355,818	
31,663,652	21,293,586	30,139,683	36,632,987	35,831,035	32,252,551	
23,589,312	16,606,572	23,382,685	27,630,458	27,513,261	24,836,588	
800,029	595,506	871,175	1,247,338	1,019,642	759,241	
6,893,327	4,573,637	6,964,692	7,931,437	8,993,248	7,810,094	
15,456,729	14,983,937	15,440,622	19,181,850	20,286,452	22,384,920	
31,390,062	27,716,685	29,264,833	33,165,956	27,247,110	29,564,837	
9,046,761	12,441,464	13,093,002	13,774,426	13,408,253	15,286,225	
16,081,858	11,846,283	13,725,592	17,326,424	17,617,058	16,676,471	
38,997,523	37,334,029	42,209,307	43,253,497	60,144,444	54,552,442	
5,970,986	5,961,321	7,776,293	8,820,570	7,933,703	6,883,742	
21,610,633	13,282,338	19,561,761	19,680,574	27,680,360	38,757,440	
3,939,824	2,623,819	3,393,311	3,552,435	3,442,178	2,754,483	
-	-	-	-	-	-	
22,221,597	22,796,188	18,848,982	21,321,564	18,387,683	16,146,467	
1,050,341	680,874	197,174	291,142	-	21,814	
19,131	929,320	131,639	166,576	16,257	541,822	
82,925	103,090	117,609	134,796	179,365	176,895	
25,536	15,996	10,944	28,764	7,446	30,702	
745,631	835,727	925,839	928,362	963,769	897,947	
<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>	<u>621,571,261</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>	<u>\$ 621,571,261</u>	
\$ 797,456	\$ 1,078,595	\$ 1,004,136	\$ 710,330	\$ 97,175	\$ 185,304	
7,194,211	7,105,515	5,907,159	4,687,943	774,760	1,948,410	
4,752,685	4,744,058	4,656,066	3,508,725	1,037,409	3,965,199	
329,971	152,110	145,580	121,935	168,180	350,428	
111,116,480	1,262,569	112,798,531	121,875,947	135,181,539	134,922,344	
<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>141,371,685</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>\$ 141,371,685</u>	
\$ (458,098,434)	\$ (412,533,805)	\$ (462,375,904)	\$ (522,117,183)	\$ (544,182,903)	\$ (480,199,576)	
-	-	-	-	-	-	
<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>	<u>\$ (480,199,576)</u>	

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

	Fiscal Year			
	2013	2014	2015	2016
Net Expense				
Governmental activities	\$ (395,435,483)	\$ (419,125,627)	\$ (440,854,102)	\$ (479,654,080)
Business-type activities	(1,307)	(7,190)	(11,483)	(213)
Total net expenses	<u>\$ (395,436,790)</u>	<u>\$ (419,132,817)</u>	<u>\$ (440,865,585)</u>	<u>\$ (479,654,293)</u>
General Revenues				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 136,374,770	\$ 137,162,011	\$ 143,261,249	\$ 147,147,310
Property taxes levied for debt service	27,925,169	28,090,094	29,406,886	44,156,322
State Aid Formula Grants	254,240,046	270,830,210	278,214,031	290,555,354
Grants and contributions not restricted	268,714	504,719	457,688	1,614,381
Investment earnings	278,338	96,855	155,049	1,152,599
Miscellaneous	1,247,836	896,992	1,496,153	917,065
Transfers in (out) from business-type activities			(132,561)	(429)
Special Items:				
Gain (Loss) on disposal of assets	272,557	256,242	265,904	246,705
Liquidation of Claims Liability (Note 10)				
Extraordinary Items:				
Insurance recoveries	78,284	72,014		
Total governmental general revenues	<u>420,685,714</u>	<u>437,909,137</u>	<u>453,124,399</u>	<u>485,789,307</u>
Business-type activities				
Investment earnings		52	475	
Transfers in/(out) to governmental activities	-	-	132,561	429
Total business-type general revenues	<u>-</u>	<u>52</u>	<u>133,036</u>	<u>429</u>
Total primary government general revenues	<u>\$ 420,685,714</u>	<u>\$ 437,909,189</u>	<u>\$ 453,257,435</u>	<u>\$ 485,789,736</u>
Change in Net Position				
Governmental activities	\$ 25,250,231	\$ 18,783,510	\$ 12,270,297	\$ 6,135,227
Business-type activities	(1,307)	(7,138)	121,553	216
Total primary government	<u>\$ 25,248,924</u>	<u>\$ 18,776,372</u>	<u>\$ 12,391,850</u>	<u>\$ 6,135,443</u>

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

	Fiscal Year					
	2017	2018	2019	2020	2021	2022
\$	(458,098,434)	\$ (412,533,805)	\$ (462,375,904)	\$ (522,117,183)	\$ (544,182,903)	\$ (480,199,576)
	-					
\$	<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>	<u>\$ (480,199,576)</u>
\$	160,752,789	177,189,925	196,893,187	199,764,239	214,437,931	223,608,648
	64,727,260	71,576,774	79,322,278	86,252,334	68,918,356	75,753,284
	280,753,101	274,441,570	258,315,850	264,547,309	262,806,481	244,406,171
	1,697,891	2,054,402	1,734,601	1,863,128	3,713,285	7,337,809
	2,981,631	6,653,988	8,228,220	6,333,387	368,376	159,053
	2,252,773	1,899,433	1,215,452	1,863,505	798,189	4,513,724
	-					
	377,414	553,941	1,222,636	794,471	283,574	1,544,245
	<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>	<u>557,322,934</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>	<u>\$ 557,322,934</u>
\$	55,444,425	\$ 121,836,228	\$ 84,556,320	\$ 39,301,190	\$ 7,143,289	\$ 77,123,358
	-					
\$	<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>	<u>\$ 77,123,358</u>

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

	Fiscal Year		
	2013	2014	2015
General Fund			
Non-Spendable - Inventories	\$ 922,154	\$ 841,310	\$ 898,601
Non-Spendable - Prepaid Items	1,742,306	1,947,959	1,453,566
Committed - Capital Expenditures for Equipment			
Committed - Self-Insurance	8,000,000	8,000,000	8,000,000
Assigned - Other	-	-	-
Unassigned	132,544,119	143,786,285	150,065,060
	<u>\$ 143,208,579</u>	<u>\$ 154,575,554</u>	<u>\$ 160,417,227</u>
All Other Governmental Funds			
Non-Spendable - Inventories	2,462,498	2,022,565	1,665,298
Non-Spendable - Prepaid Items	76,553	877,145	1,775,222
Restricted - Grant Funds	7,594,789	6,840,334	3,487,530
Restricted - Capital Acquisitions and Contractual Obligations	18,796,258	6,614,366	183,774,730
Restricted - Retirement of Long-term Debt	5,825,655	6,008,006	9,961,155
Committed - Local Special Revenue Fund	2,490,321	3,096,524	2,321,589
Assigned - Construction and Capital Expenditures	20,117,625	23,176,096	22,091,992
	<u>\$ 57,363,699</u>	<u>\$ 48,635,036</u>	<u>\$ 225,077,516</u>

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

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
\$ 985,030	\$ 890,698	\$ 907,053	\$ 925,912	\$ 998,377	\$ 1,117,564	\$ 1,321,726
1,044,039	-	-	-	-	-	-
8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	7,000,000	7,000,000
-	-	-	673,486	587,312	587,312	1,122,900
162,004,045	178,872,613	184,480,205	220,271,987	257,899,782	262,239,740	276,140,819
<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>	<u>\$ 285,585,445</u>
2,049,499	1,906,372	2,069,511	1,507,585	1,648,765	1,822,884	2,022,903
1,655,335	-	-	-	-	-	-
12,437,623	22,210,583	22,336,337	13,471,568	13,603,962	4,095,812	17,764,858
97,915,261	158,771,545	126,954,526	75,272,373	26,326,966	18,841,281	11,743,460
8,345,668	13,716,951	22,925,084	50,239,546	71,517,196	76,901,253	91,495,627
2,330,898	2,493,805	2,778,486	3,088,140	3,087,876	3,145,316	3,650,870
21,289,184	15,501,859	6,096,195	23,960,584	19,528,565	16,725,738	12,961,937
<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>	<u>\$ 139,639,655</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Local sources:				
Property taxes	\$ 164,584,996	\$ 165,665,203	\$ 172,925,921	\$ 191,213,265
Earnings on Investments	281,502	99,336	151,757	1,185,673
Other local sources	16,155,364	17,532,397	16,158,382	15,031,358
Total local sources	<u>181,021,862</u>	<u>183,296,936</u>	<u>189,236,060</u>	<u>207,430,296</u>
State sources:				
Per Capita	\$ 25,588,455	\$ 14,229,508	\$ 14,300,164	\$ 9,745,185
Foundation School Program	228,651,591	256,600,702	263,762,268	280,665,610
On-behalf Payments	17,673,118	20,763,720	21,863,803	21,873,710
Other State Sources	11,739,565	17,349,345	20,619,462	25,246,920
Total state sources	<u>283,652,729</u>	<u>308,943,275</u>	<u>320,545,697</u>	<u>337,531,425</u>
Federal sources:	51,107,017	51,334,853	56,740,087	56,398,403
Total revenues	<u>\$ 515,781,608</u>	<u>\$ 543,575,064</u>	<u>\$ 566,521,844</u>	<u>\$ 601,360,124</u>

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

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	225,136,669	\$	248,652,345	\$	274,636,369	\$	285,771,808	\$	283,024,048	\$	299,662,160
	3,097,611		7,062,195		8,894,333		6,722,485		368,376		159,053
	15,651,100		15,063,980		13,259,911		11,174,237		3,170,917		11,476,056
	<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>		<u>311,297,269</u>
\$	21,076,581	\$	11,062,727	\$	25,704,088	\$	16,674,101	\$	25,176,938	\$	23,833,645
	259,534,696		263,378,843		232,611,762		247,846,209		237,629,543		217,728,769
	21,332,244		23,208,664		19,313,463		27,012,627		26,602,024		25,977,900
	26,644,134		12,131,942		6,560,794		12,314,782		3,159,986		8,421,451
	<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>		<u>275,961,765</u>
	60,268,133		67,513,974		67,360,453		62,253,721		75,318,252		136,169,471
\$	<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>	\$	<u>723,428,505</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Expenditures				
Governmental funds				
11 Instruction	\$ 264,641,540	\$ 278,396,221	\$ 292,682,387	\$ 295,875,044
12 Instructional resources and media services	7,200,650	7,414,899	7,635,828	7,976,025
13 Curriculum and staff development services	10,218,104	11,821,331	14,150,661	14,955,504
Total function 10	<u>282,060,294</u>	<u>297,632,451</u>	<u>314,468,876</u>	<u>318,806,573</u>
21 Instructional leadership	8,548,600	9,136,533	9,267,235	8,909,833
23 School leadership	26,963,180	27,735,396	29,106,054	30,227,932
Total function 20	<u>35,511,780</u>	<u>36,871,929</u>	<u>38,373,289</u>	<u>39,137,765</u>
31 Guidance, counseling, and evaluation services	17,725,446	19,203,404	21,512,159	22,461,110
32 Social work services	939,051	1,346,199	1,338,547	1,045,330
33 Health services	5,346,833	6,132,616	6,389,549	6,618,661
34 Student transportation	12,992,842	14,052,926	15,163,237	16,638,683
35 Food service	27,046,189	30,293,793	31,790,346	29,920,357
36 Extracurricular activities	7,128,827	8,007,892	7,795,306	9,052,990
Total function 30	<u>71,179,188</u>	<u>79,036,830</u>	<u>83,989,144</u>	<u>85,737,131</u>
41 General administration	10,799,316	14,962,000	15,054,618	14,799,780
Total function 40	<u>10,799,316</u>	<u>14,962,000</u>	<u>15,054,618</u>	<u>14,799,780</u>
51 Facilities maintenance and operations	34,104,435	37,405,228	37,643,590	38,407,218
52 Security and monitoring services	3,571,740	3,821,316	4,072,994	6,123,148
53 Data processing services	11,129,867	12,235,673	21,405,047	48,340,584
Total function 50	<u>48,806,042</u>	<u>53,462,217</u>	<u>63,121,631</u>	<u>92,870,950</u>
61 Community service	1,663,945	2,302,771	2,695,992	3,059,647
Total function 60	<u>1,663,945</u>	<u>2,302,771</u>	<u>2,695,992</u>	<u>3,059,647</u>
71 Debt service				
Principal on long-term debt	26,329,896	25,368,218	25,765,010	38,298,252
Interest on long-term debt	16,053,653	14,637,796	15,807,117	20,492,629
Bond issuance costs and fees	23,786	176,140	1,486,831	434,984
Total function 70	<u>42,407,335</u>	<u>40,182,154</u>	<u>43,058,958</u>	<u>59,225,865</u>
81 Facilities acquisition/construction	52,662,091	15,407,928	20,168,396	54,519,046
Total function 80	<u>52,662,091</u>	<u>15,407,928</u>	<u>20,168,396</u>	<u>54,519,046</u>
93 Payments related to Shared Services Arrangements	64,011	74,889	81,790	78,603
95 Payments to Juvenile Justice Alternative	5,742	4,824	10,716	30,168
99 Other Intergovernmental Charges	664,700	662,918	667,640	692,137
Total function 90	<u>734,453</u>	<u>742,631</u>	<u>760,146</u>	<u>800,908</u>
Total expenditures	<u>\$ 545,824,444</u>	<u>\$ 540,600,911</u>	<u>\$ 581,691,050</u>	<u>\$ 668,957,665</u>
Debt service as a percentage of noncapital expenditures	8.6%	7.6%	7.4%	8.9%

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

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 296,735,311	\$ 311,197,039	\$ 289,498,626	\$ 313,376,748	\$ 332,557,093	\$ 333,950,073	
7,715,713	7,823,749	7,217,229	8,024,543	8,101,282	8,037,956	
15,302,908	17,104,803	14,656,530	18,605,901	19,906,532	18,494,595	
<u>319,753,932</u>	<u>336,125,591</u>	<u>311,372,385</u>	<u>340,007,192</u>	<u>360,564,907</u>	<u>360,482,624</u>	
8,745,559	9,233,263	7,525,112	8,904,397	9,406,788	10,268,732	
30,381,505	31,796,289	27,282,621	32,873,981	32,935,531	34,798,715	
<u>39,127,064</u>	<u>41,029,552</u>	<u>34,807,733</u>	<u>41,778,378</u>	<u>42,342,319</u>	<u>45,067,447</u>	
22,844,915	24,485,165	21,300,563	24,888,743	25,585,408	26,682,496	
791,786	745,589	830,424	1,198,380	890,595	889,880	
6,603,999	6,981,160	6,280,318	7,144,408	8,353,605	8,385,657	
16,363,472	17,567,596	12,804,688	18,520,848	20,589,514	23,587,583	
29,606,960	29,549,801	27,001,019	33,679,845	24,518,211	31,261,239	
8,518,724	11,429,637	10,809,099	10,990,385	10,963,157	13,434,820	
<u>84,729,856</u>	<u>90,758,948</u>	<u>79,026,111</u>	<u>96,422,609</u>	<u>90,900,490</u>	<u>104,241,674</u>	
15,414,043	15,222,824	12,657,677	16,007,105	16,481,795	17,555,931	
<u>15,414,043</u>	<u>15,222,824</u>	<u>12,657,677</u>	<u>16,007,105</u>	<u>16,481,795</u>	<u>17,555,931</u>	
38,255,742	40,824,190	32,985,083	39,966,515	48,359,044	42,798,724	
5,720,961	9,668,579	7,706,790	8,733,696	7,751,435	6,979,083	
19,626,462	24,237,927	18,426,974	18,446,887	20,946,771	36,252,125	
<u>63,603,165</u>	<u>74,730,696</u>	<u>59,118,847</u>	<u>67,147,098</u>	<u>77,057,250</u>	<u>86,029,932</u>	
2,923,205	2,653,384	2,419,362	2,329,983	2,324,494	2,119,405	
<u>2,923,205</u>	<u>2,653,384</u>	<u>2,419,362</u>	<u>2,329,983</u>	<u>2,324,494</u>	<u>2,119,405</u>	
48,531,442	47,726,335	41,850,089	43,165,629	43,557,517	42,985,925	
25,536,628	26,651,612	16,118,574	24,383,826	22,423,626	20,559,389	
1,050,341	680,874	973,543	291,142	-	21,815	
<u>75,118,411</u>	<u>75,058,821</u>	<u>58,942,206</u>	<u>67,840,597</u>	<u>65,981,143</u>	<u>63,567,129</u>	
118,361,627	127,989,717	69,907,342	38,591,012	9,043,998	11,054,863	
<u>118,361,627</u>	<u>127,989,717</u>	<u>69,907,342</u>	<u>38,591,012</u>	<u>9,043,998</u>	<u>11,054,863</u>	
82,925	103,090	117,609	134,796	179,365	176,895	
25,536	15,996	10,944	28,764	7,446	30,702	
745,631	835,727	925,839	928,362	963,769	897,947	
<u>854,092</u>	<u>954,813</u>	<u>1,054,392</u>	<u>1,091,922</u>	<u>1,150,580</u>	<u>1,105,544</u>	
\$ 719,885,395	\$ 764,524,346	\$ 629,306,055	\$ 671,215,896	\$ 665,846,976	\$ 691,224,550	
12.5%	12.1%	10.4%	10.8%	10.1%	9.4%	

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

	Fiscal Year			
	2013	2014	2015	2016
Excess of revenues over (under) expenditures	\$ (30,042,836)	\$ 2,974,153	\$ (15,169,206)	\$ (67,597,541)
Other Financing Sources (Uses)				
Capital related debt issued (Bonds)			193,320,000	
Refunding Bonds Issued		26,725,000		40,560,000
Sale of real or personal property	271,558	247,181	265,904	371,262
Non-Current Loan Proceeds				
Transfers in	9,990,338	12,000,000	12,880,477	9,305,830
Premium or Discount on Issuance of Bonds		1,574,982	16,754,162	6,405,364
Prepaid Interest				
Other Resources	103,005	-		21,799
Insurance Recovery	42,299	37,855		
Transfers out	(10,000,000)	(12,000,000)	(13,000,000)	(9,243,249)
Payments to refunded bond escrow agents	-	(28,920,859)	(12,767,184)	(47,261,626)
Total other financing sources (uses)	407,200	(335,841)	197,453,359	159,380
Extraordinary Item - Insurance Recovery				
Net change in fund balances	<u>\$ (29,635,636)</u>	<u>\$ 2,638,312</u>	<u>\$ 182,284,153</u>	<u>\$ (67,438,161)</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (87,144,227)	\$ (116,449,676)	\$ 19,035,117	\$ (1,445,926)	\$ (11,396,892)	\$ 32,203,955
150,250,000	78,565,000	14,525,000	28,420,000	47,830,000	-
377,414	551,166	1,229,284	794,472	294,314	1,544,245
10,978,893	13,600,000	37,284,586	20,380,497	5,814,949	4,317,037
20,810,175	11,539,604	984,675	2,538,455	6,685,636	-
14,483	-	404,544	6,170,152	-	-
(10,978,894)	(13,623,123)	(37,284,586)	(20,380,497)	(5,814,949)	(5,317,037)
-	-	(15,314,836)	(30,689,533)	(54,134,959)	-
171,452,071	90,632,647	1,828,667	7,233,546	674,991	544,245
<u>\$ 84,307,844</u>	<u>\$ (25,817,029)</u>	<u>\$ 20,863,784</u>	<u>\$ 5,787,620</u>	<u>\$ (10,721,901)</u>	<u>\$ 32,748,200</u>

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			
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	
2022	8,020,161,090	18,941,653,660	2,595,808,550	4,992,380,403	24,565,242,897	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
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
2022	0.9384	0.3179	1.2563	0.7570	0.6165	0.7450	0.7007	0.7733	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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kraft Foods/ U S Foods	\$ 130,514,710	1	0.61%	\$ 79,393,237	3	0.61%
Simon Property Group	94,050,000	2	0.44%	116,341,710	2	0.89%
BMEF Preserve LLC	90,500,000	3	0.42%			
Oncor	89,261,940	4	0.42%	61,330,690	5	0.47%
Atmos	73,998,600	5	0.35%			
CF Hendry Multifamily	72,320,610	6	0.34%			
Ragingwire	66,599,350	7	0.31%			
BMEF Spring Creek LLC	63,000,000	8	0.29%			
NTT Global Data Centers	59,771,470	9	0.28%			
JDFW III LLC	51,935,560	10	0.24%			
Walmart/Sams				130,595,550	1	1.00%
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>\$ 791,952,240</u>		<u>3.70%</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)
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%	1,515,546	280,294,487	99.18%
2022	298,877,100	295,136,156	98.75%	-	295,136,156	98.75%

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	Leases			
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
2022	461,796,316	5,593,284	635,978	\$ 468,025,578	1.91%	1,534

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.
- (3) GASB No. 87, Leases, was implemented in FY 2022. Lease balances prior to FY 2022 were presented in accordance with lease guidance in effect at that time.

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: Reserve for Retirement of Bonded Debt (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
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	42,716,002	563,928,754	2.86%	1,837
2020	557,829,529	64,641,353	493,188,176	2.31%	1,595
2021	508,692,699	71,019,364	437,673,335	1.86%	1,420
2022	461,796,316	86,051,888	375,744,428	1.53%	1,232

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 for property value data
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics

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

Exhibit S-14

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct:			
Garland Independent School District			
General Obligation Bonds	\$ 461,796,316	100.00%	\$ 461,796,316
Notes Payable	5,593,284	100.00%	5,593,284
Leases	<u>635,978</u>	100.00%	<u>635,978</u>
Total Direct Debt	468,025,578		468,025,578
Overlapping:			
City of Garland	338,250,000	85.44%	289,000,800
City of Rowlett	100,945,000	85.36%	86,166,652
City of Sachse	63,320,000	58.21%	36,858,572
City of Dallas	1,952,170,416	0.21%	4,099,558
City of Mesquite	219,935,000	0.07%	153,955
City of Richardson	335,885,000	0.09%	302,297
City of Wylie	71,460,000	1.48%	1,057,608
Dallas County	116,665,000	7.85%	9,158,203
Dallas County Community College District	118,575,000	7.85%	9,308,138
Dallas County Hospital District	<u>575,530,000</u>	7.85%	<u>45,179,105</u>
Total Overlapping Debt	<u>3,892,735,416</u>		<u>481,284,886</u>
Total Direct and Overlapping Debt	<u>\$ 4,360,760,994</u>		<u>\$ 949,310,464</u>
Taxable Assessed Valuation			24,565,242,897
Ratio of Direct and Overlapping Debt to taxable assessed valuation			3.86%
Direct and Overlapping Debt per Capita			\$ 2,960

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 2022 is \$0.3179 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
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%
2022	305,018	(1)	(1)	3.7%

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	2022			2013		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Garland ISD	6,987	1	49.63%	7,300	1	42.79%
City of Garland	2,000	2	14.21%	2,000	3	11.72%
Kraft Heinz Company	1,200	3	8.52%			
Baylor Scott & White Medical Center	721	4	5.12%			
Wal-Mart Super Centers	663	5	4.71%	1,250	4	7.33%
Sherwin Williams / Valspar	540	6	3.84%			
City of Rowlett	521	7	3.70%			
US Food Service	520	8	3.69%	500	8	
Hatco (Resistal)	500	9	3.55%			0.00%
Anderson Windows	425	10	3.02%			
Raytheon				2,200	2	12.89%
Baylor Medical Center Garland				1,185	5	6.95%
International/SST Truck				982	6	5.76%
Atlas Copco				727	7	4.26%
APEX Took Group				467	9	2.74%
Karlee				451	10	2.64%
Total	14,077		100.00%	17,062		97.07%

Source: Garland Chamber of Commerce

Notes:

* 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			
	2013	2014	2015	2016
Teachers	3,636.9	3,646.8	3,679.1	3,664.0
Professional Support				
Athletic Trainer	5.1	4.8	6.7	8.2
Audiologist	2.0	2.0	2.0	2.0
Campus Professional Personnel	26.9	31.3	27.2	26.0
Corrective Therapist	-	-	-	-
Counselor	130.8	134.6	140.2	139.3
Department Head	-	12.7	-	-
Educational Diagnostician	58.2	56.6	57.8	56.8
Librarian	76.0	75.0	72.9	74.8
LSSP/Psychologist	8.0	8.0	9.0	9.0
Musical Therapist	-	1.0	0.7	1.0
Non-Campus Professional Personnel	148.4	173.3	183.5	197.5
Occupational Therapist	10.0	10.0	10.0	10.0
Orientation/Mobility Instructor	2.0	2.0	0.9	2.0
Physical Therapist	5.8	6.0	6.0	6.0
Psychological Associate	-	-	-	-
School Nurse	75.0	82.0	82.0	85.0
Social Worker	8.0	7.0	6.0	7.0
Speech Therapist/Speech-Language Pathologist	50.4	52.5	54.6	56.1
Teacher Facilitator	120.6	107.2	107.4	117.3
Visiting Teacher	4.0	4.0	4.0	3.0
Work-Based Learning Site Coordinator	8.4	4.3	-	-
Total Professional Support	<u>739.6</u>	<u>774.3</u>	<u>770.9</u>	<u>801.0</u>
Campus Administration				
Assistant Principal	106.0	108.9	106.8	116.0
Principal	71.0	71.0	71.0	70.1
Teacher Supervisor	-	0.1	-	-
Registrar	10.0	2.0	2.0	2.0
Total Campus Administration	<u>187.0</u>	<u>182.0</u>	<u>179.8</u>	<u>188.1</u>
Central Administration				
Assistant/Assoc/Deputy Superintendent	4.5	5.5	5.5	5.0
Instructional Officer	-	-	-	-
District Instructional Program Director	16.0	19.0	16.0	16.0
Superintendent	1.0	1.0	1.0	1.0
Teacher Supervisor	28.4	27.5	27.5	26.8
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>53.9</u>	<u>61.0</u>	<u>58.0</u>	<u>56.8</u>
Educational Aides	454.8	516.7	547.2	538.1
Auxiliary Staff	2,099.8	2,126.8	2,183.4	2,044.7
Total All Full Time Equivalent Employees	<u><u>7,172.0</u></u>	<u><u>7,307.6</u></u>	<u><u>7,418.4</u></u>	<u><u>7,292.7</u></u>

Source: District records for the fall PEIMS submission

Full Time Equivalent Employees					
2017	2018	2019	2020	2021	2022
3,648.3	3,643.9	3,668.2	3,594.1	3,609.3	3,448.1
7.2	9.1	7.5	7.3	8.0	14.0
2.0	2.0	2.0	2.0	2.0	2.0
24.6	28.7	32.0	33.0	30.7	29.1
-	-	-	-	-	-
140.6	144.5	144.5	154.5	159.9	157.4
-	1.0	-	-	-	-
54.2	56.8	56.8	54.2	55.8	54.8
69.0	74.9	76.0	75.1	75.0	67.0
9.0	8.9	9.0	9.0	9.0	8.0
1.0	1.0	1.0	1.0	1.0	1.0
207.1	209.2	212.0	222.5	223.1	249.4
10.0	10.0	11.0	10.0	11.9	12.0
2.0	2.0	2.4	2.2	2.1	2.2
6.0	6.0	6.0	6.0	5.0	5.0
-	-	-	-	-	-
84.0	84.2	85.0	83.3	86.3	86.9
7.0	7.0	7.0	3.0	2.0	2.2
56.1	55.2	56.0	53.2	55.6	51.4
127.1	136.1	141.7	134.4	160.0	129.5
2.0	1.0	1.0	1.0	2.0	2.0
-	-	-	-	-	-
808.9	837.7	850.9	851.7	889.2	873.8
112.9	117.3	117.6	115.5	115.4	115.6
71.2	73.0	72.8	73.6	70.3	71.0
-	-	-	-	-	-
2.0	-	-	2.0	2.0	-
186.1	190.3	190.4	191.1	187.7	186.6
3.0	2.0	3.0	3.0	4.9	4.0
-	-	-	-	-	-
13.0	16.0	14.0	12.0	12.5	10.0
3.0	2.0	3.0	3.0	1.0	2.0
22.5	22.0	22.0	21.0	22.4	22.0
1.0	1.0	-	-	-	0.5
-	0.5	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
2.9	4.0	3.0	3.0	3.0	3.0
46.4	48.5	47.0	44.0	45.8	43.5
552.4	554.4	571.8	553.8	569.9	577.8
1,997.7	1,935.8	1,977.9	1,950.2	1,920.9	1,857.0
7,239.8	7,210.6	7,306.2	7,184.9	7,222.7	6,986.8

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

Exhibit S-19

Fiscal Year	Enrollment	Operating Expenditures(1)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
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	421,154,072	7,522	-11.05%	3,668	15.3	64.8%
2020	55,701	482,641,273	8,665	14.60%	3,594	15.5	65.8%
2021	53,921	506,958,474	9,402	5.04%	3,609	14.9	70.7%
2022	53,674	496,173,061	9,244	-2.13%	3,448	15.6	74.0%

Source: District records

Note:

- (1) Operating expenditures represent general fund only.

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

Exhibit S-20

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Teachers By Highest Degree Held										
No Degree	0.2%	0.5%	0.4%	0.4%	0.4%	0.6%	0.8%	0.7%	0.8%	1.4%
Bachelors	70.8%	69.8%	69.4%	69.5%	69.2%	68.9%	67.6%	66.7%	66.8%	67.4%
Masters	28.1%	28.8%	29.3%	29.3%	29.4%	29.4%	30.6%	31.6%	31.4%	30.1%
Doctorate	0.9%	0.9%	0.9%	0.8%	1.1%	1.1%	1.1%	1.0%	1.1%	1.2%
Teachers By Years of Experience										
Beginning Teachers	4.9%	5.3%	4.5%	5.3%	4.9%	5.1%	4.5%	4.1%	5.3%	5.9%
1 - 5 Years of Experience	23.8%	22.9%	25.0%	27.2%	28.3%	29.6%	29.2%	27.2%	25.7%	24.9%
6 - 10 Years of Experience	27.7%	27.9%	25.9%	23.1%	21.4%	20.1%	19.9%	21.2%	22.3%	23.3%
11 - 20 Years of Experience	28.2%	28.8%	29.8%	30.2%	30.7%	31.4%	32.3%	32.9%	31.8%	30.8%
Over 20 Years of Experience	15.4%	15.0%	14.8%	14.2%	14.7%	13.8%	14.2%	14.6%	15.0%	15.1%
Average Salaries by Experience										
Beginning Teachers	\$46,462	\$48,899	\$50,150	\$50,862	\$52,334	\$52,304	\$54,248	\$54,569	\$55,538	\$50,358
1 - 5 Years of Experience	\$48,038	\$49,232	\$50,565	\$52,115	\$53,263	\$54,149	\$54,851	\$56,593	\$56,856	\$57,738
6 - 10 Years of Experience	\$49,331	\$50,572	\$51,730	\$53,299	\$54,415	\$55,548	\$56,337	\$58,211	\$58,782	\$60,188
11 - 20 Years of Experience	\$51,190	\$52,332	\$53,729	\$55,083	\$56,124	\$57,223	\$58,241	\$60,343	\$61,464	\$62,654
Over 20 Years of Experience	\$59,546	\$59,925	\$61,323	\$61,984	\$62,358	\$63,055	\$63,806	\$65,504	\$65,775	\$66,560
Student Teacher Ratio	16.0	15.8	15.6	15.7	15.6	15.5	15.3	15.5	14.9	15.6

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Schools:										
Elementary										
Buildings	47	47	47	47	47	47	47	47	47	47
Enrollment	26,364	26,351	26,135	25,971	25,579	24,246	23,606	23,208	22,062	21,843
Middle										
Buildings	12	12	12	12	12	12	12	12	12	12
Enrollment	12,871	12,715	12,754	12,595	12,757	12,663	12,830	12,996	12,766	12,141
High										
Buildings	7	7	7	7	9	9	9	9	9	9
Enrollment	17,198	16,993	17,091	17,470	17,474	17,439	17,324	17,312	17,210	17,325
Pre-K										
Buildings	2	2	2	2	2	2	2	2	2	2
Enrollment	1,467	1,217	1,098	1,132	1,086	1,924	1,950	1,900	1,664	2,093
Other										
Buildings	3	3	3	3	2	2	2	2	2	2
Enrollment	449	340	358	349	133	199	277	285	219	272
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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2022.

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.

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*.

To the Board of Trustees
Garland Independent School District

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.

Whitley Penn LLP

Dallas, Texas
October 25, 2022

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

Opinion On Each Major 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, 2022. 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.

In our opinion, the District’s complied, in all material respects, with the 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, 2022.

Basis for Opinion On Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Board of Trustees
Garland Independent School District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
October 25, 2022

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit K-1

(1)	(2)	(3)	TOTAL FEDERAL EXPENDITURES
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OF CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	
US Department of Education			
Passed Through State Department of Education			
Texas Education for Homeless Children & Youth	84.196A	214600057110032	\$ 38,539
Texas Education for Homeless Children & Youth	84.196A	224600057110030	87,671
Total ALN 84.196A			<u>126,210</u>
ESEA Title I Part A - Improving Basic Programs	84.010A	20610101057909	1,225,506
ESEA Title I Part A - Improving Basic Programs	84.010A	21610101057909	483,610
ESEA Title I Part A - Improving Basic Programs	84.010A	22610101057909	11,558,764
ESEA Title I - School Improvement	84.010A	22610141057909	17,921
2021-2022 School Action Fund - Planning	84.010A	216101627110019	87,874
2021-2022 School Action Fund - Planning	84.010A	216101627110020	97,828
2021-2022 School Action Fund - Planning	84.010A	216101627110021	110,529
2021-2022 School Action Fund - Planning	84.010A	216101627110022	145,703
2021-2022 School Action Fund - Planning	84.010A	216101627110023	85,021
2021-2022 School Action Fund - Planning	84.010A	216101627110024	83,436
Total ALN 84.010A			<u>13,896,192</u>
Special Education Cluster			
IDEA - Part B, Formula	84.027A	216600010579096600	189,157
IDEA - Part B, Formula	84.027A	226600010579096600	10,399,576
IDEA - Part B, Formula ARP - COVID-19	84.027X	225350010579095350	221,066
IDEA - Part B, Preschool	84.173A	216610010579096610	1,429
IDEA - Part B, Preschool	84.173A	226610010579096610	170,007
Total Special Education Cluster (84.027A, 84.173A)			<u>10,981,235</u>
Vocation Education - Basic Grant	84.048A	21420006057909	12,445
Vocation Education - Basic Grant	84.048A	22420006057909	564,461
Total ALN 84.048A			<u>576,906</u>
ESEA Title III, Part A, ELA	84.365A	20671001057909	726,120
ESEA Title III, Part A, ELA	84.365A	21671001057909	92,883
ESEA Title III, Part A, ELA	84.365A	22671001057909	970,119
Total ALN 84.365A			<u>1,789,122</u>
ESEA Title II, Part A, Supporting Effective Instruction	84.367A	20694501057909	462
ESEA Title II, Part A, Supporting Effective Instruction	84.367A	21694501057909	327,077
ESEA Title II, Part A, Supporting Effective Instruction	84.367A	22694501057909	1,579,398
Total ALN 84.367A			<u>1,906,937</u>
ESEA Title IV, Part A, Subpart 1	84.424A	20680101057909	96,104
ESEA Title IV, Part A, Subpart 1	84.424A	22680101057909	826,903
Total ALN 84.424A			<u>923,007</u>
ESSER GRANT - COVID-19	84.425D	20521001057909	937,655
CRRSA ESSER II - COVID-19	84.425D	21521001057909	7,880,682
ARP ESSER III - COVID-19	84.425U	21528001057909	41,850,763
TCLAS - ESSER III - COVID-19	84.425U	21528042057909	25,367
Total ALN 84.425D			<u>50,694,467</u>
Summer School LEP	84.369A	69552002	69,304
COVID-19 School Health Support Grant	93.323	39352201	251,536
Total Passed Through State Department of Education			<u>81,214,916</u>
Total US Department of Education			<u>81,214,916</u>
US Department of Health & Human Services			
Passed Through Texas Health and Human Services Commission			
Medicaid Administrative Claiming	93.778	HHS000537900274	469,725
Total Medicaid Cluster (93.778)			<u>469,725</u>
Human Services Commission			<u>469,725</u>
Total US Department of Health and Human Services			<u>469,725</u>

See Notes to Schedule of Expenditures of Federal Awards

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit K-1

(1)	(2)	(3)	TOTAL
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OF CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Federal Communicatons Commission			
Emergency Connectivity - COVID-19	32.009		4,642,000
Total Federal Communicatons Commission			<u>4,642,000</u>
US Department of Agriculture			
Child Nutrition Cluster			
Passed Through State Department of Education			
School Breakfast Program - Cash Assistance	10.553	NT4XL1YGLGC5	6,509,850
National School Lunch Program - Cash Assistance	10.555	NT4XL1YGLGC5	28,935,096
Total Passed Through State Department of Education			<u>35,444,946</u>
Passed Through State Department of Agriculture			
USDA Donated Commodities - Non-Cash Assistance	10.555	NT4XL1YGLGC5	2,818,972
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	1,134,472
Child Nutrition Program Emergency Operating Costs	10.555	NT4XL1YGLGC5	2,110,703
Summer Food Service Program - Cash Assistance	10.559	NT4XL1YGLGC5	149,659
COVID-19 Summer Food Service Program	10.559	NT4XL1YGLGC5	31,832
Total Passed Through State Department of Agriculture			<u>6,245,638</u>
Total Child Nutrition Cluster (10.553, 10.555, 10.559)			41,690,584
Child and Adult Care Food Program - Cash Assistance	10.558	NT4XL1YGLGC5	267,989
Total US Department of Agriculture			<u>41,958,573</u>
Total Expenditures of Federal Awards			<u>\$ 128,285,214</u>

** Total Title IV, Part A funds Transferred to Title I Part A

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, 2022

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, 2022, 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 2022 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, 2022

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	\$ 128,285,214
School Health and Related Services (SHARS)	7,269,992
JROTC	66,163
E-Rate	76,108
Qualified School Construction Bonds Interest Subsidy	471,994
Federal Revenues Reported on Exhibit C-2	<u>\$ 136,169,471</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

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
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Special Education Cluster:	
IDEA – Part B, Formula	84.027A
IDEA – Part B, Formula ARP COVID-19	84.027X
IDEA – Part B, Preschool	84.173A
Emergency Connectivity Fund - COVID-19	32.009
ESSER Grant - COVID-19	84.425D
CRRSA ESSER II – COVID-19	84.425D
ARP ESSER III – COVID-19	84.425U
TCLAS – ESSER III – COVID-19	84.425U
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2022

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, 2022

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, 2022

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