

Fiscal Year Ended June 30, 2023

# 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, 2023

Prepared by:  
The Division of Finance



GARLAND INDEPENDENT SCHOOL DISTRICT  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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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, 2023, at a meeting of the Board of Trustees of such school district on the 14 day of November, 2023.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

**BOARD OF TRUSTEES**

| Name                | Position            | Place | Length of Service | Term Expires | Occupation                                       |
|---------------------|---------------------|-------|-------------------|--------------|--------------------------------------------------|
| Larry Glick         | Member              | 1     | 16 years          | May 2025     | Tax Attorney                                     |
| Johnny Beach        | Assistant Secretary | 2     | 7 years           | May 2025     | Retired Educator                                 |
| Linda Griffin       | Vice President      | 3     | 25 years          | May 2025     | Consultant                                       |
| Daphne Stanley      | Member              | 4     | 2 years           | May 2026     | Senior Merchandise Planner                       |
| James Miller        | Member              | 5     | 6 years           | May 2026     | Executive Vice President / Chief Lending Officer |
| Robert Selders, Jr. | Secretary           | 6     | 8 years           | May 2024     | Business Owner                                   |
| Wesley Johnson      | President           | 7     | 5 years           | May 2024     | Attorney                                         |

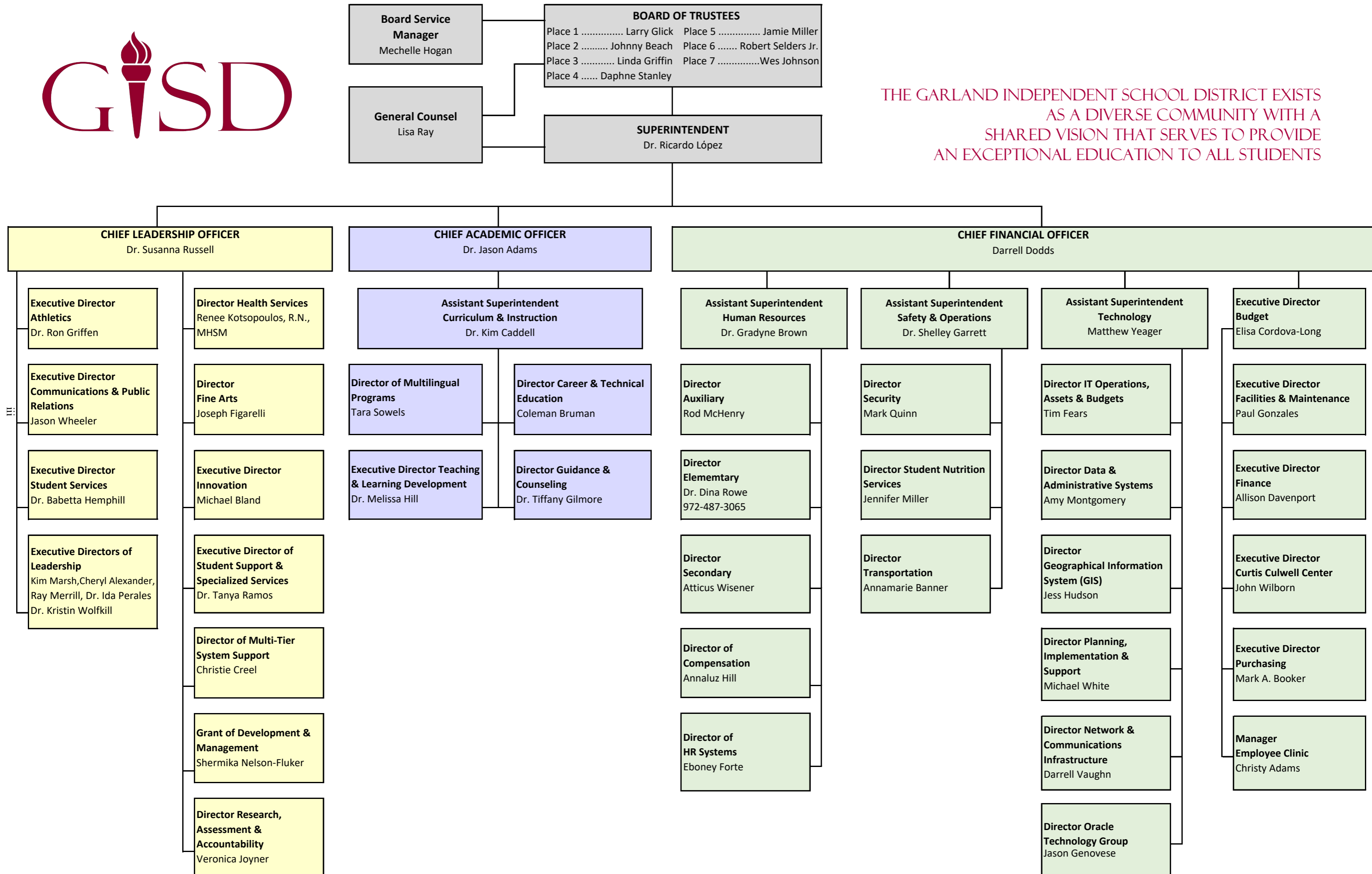
**ADMINISTRATIVE OFFICIALS**

| Name                | Position                                             | Length of GISD Service |
|---------------------|------------------------------------------------------|------------------------|
| Dr. Ricardo López   | Superintendent                                       | 6 years                |
| Dr. Jason Adams     | Chief Academic Officer                               | 24 years               |
| Darrell Dodds       | Chief Financial Officer                              | 0 years                |
| Dr. Susanna Russell | Chief Leadership Officer                             | 5 years                |
| Lisa Ray            | General Counsel                                      | 5 years                |
| Dr. Kim Caddell     | Assistant Superintendent of Curriculum & Instruction | 19 years               |
| Dr. Gradyne Brown   | Assistant Superintendent of Human Resources          | 22 years               |
| Dr. Shelley Garrett | Assistant Superintendent of Safety & Operations      | 4 years                |
| Matthew Yeager      | Assistant Superintendent of Technology               | 5 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

November 14, 2023

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, 2023.

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, 2023, 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, 2023, 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 2023, Garland ISD has 72 campuses with an enrollment of 52,767 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 2012-13 and 2022-23 school years.

|                            | <u>2012-13</u> | <u>2022-23</u> |
|----------------------------|----------------|----------------|
| Enrollment                 | 57,914         | 52,767         |
| African-American           | 17.2%          | 18.4%          |
| American Indian            | 0.5%           | 0.3%           |
| Asian                      | 8.1%           | 9.6%           |
| Hispanic                   | 49.7%          | 54.5%          |
| Pacific Islander           | 0.1%           | 0.1%           |
| White                      | 22.4%          | 14.0%          |
| Two or More                | 2.0%           | 3.0%           |
| Economically Disadvantaged | 61.1%          | 71.5%          |
| English Language Learners  | 22.0%          | 37.5%          |
| Graduates                  | 3,869          | 3,890          |

The District’s total student population decreased over the past 10 years, averaging a loss of 515 student per year. 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 2012-13 and 2022-23 school year.

|                             | <u>2012-13</u> | <u>2022-23</u> |
|-----------------------------|----------------|----------------|
| Total Staff                 | 7,171          | 7,173          |
| Teachers                    | 3,636          | 3,476          |
| Masters or Doctorate        | 29.0%          | 29.5%          |
| Average Years of Experience | 11.7           | 10.5           |
| Student/Teacher Ratio       | 15.9           | 15.2           |



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>2021-22</u>   | <u>2022-23</u>   | <u>2023-24</u>   |
|-----------------------------------|------------------|------------------|------------------|
| Certified Market Value            | \$29,074,711,260 | \$35,599,044,760 | \$39,956,884,430 |
| Average Market Value of Residence | \$233,056        | \$298,246        | \$320,884        |

Housing in the District was marked by a continuation of elevated home prices driven by low inventories and high interest rates. The DFW housing market is dealing with the rise in 30-year mortgage rates. The 30-year mortgage interest rate was 6.27% as of April 2023, which is the highest mortgage rate since 2009. Pre-owned home sales began to slow down during the year as a result of the higher interest rates. 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. The high demand for new homes has continued in the District. There were 164 new home starts and 359 new homes occupied in the District during first quarter 2023. Garland ISD currently ranks 27th in total annual new home closing compared to the other 90 DFW school districts. There are 910 single family lots under development with another 4,300 future lots planned as of March 2023. There are over 5,500 new apartments that are currently in-process or planned in the District. Residential growth is expected to generate 4,400 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. As more residential growth occurs in 5-10 years, enrollment is expected to increase.

**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.

The 88th Texas Legislature ended with no increase in per-student funding and no money designated for teacher pay raises, despite a \$33 billion budget surplus. Special sessions have been called with the potential to address these areas.

**Bond Election and Issuance.** Garland ISD voters approved a \$1.279 billion bond package on May 6, 2023. The bond included three propositions, Proposition A, Proposition B and Proposition C, to fund significant investments to address the following:

**Proposition A - \$1,103,130,000**

- Facility renovations & improvements at all campuses
- Safety perimeter fencing at all campuses
- Forced-entry-resistant film at all campus main entrances
- Classroom barrier improvements and library enclosures to enhance safety at 12 open-concept elementary schools
- Remove all portables from elementary campuses
- 4 replacement, energy-efficient elementary campuses
- 2 ADA-accessible playgrounds with canopies at all elementary campuses
- High school fine arts improvements
- New fieldhouses for all high schools
- Middle school boys and girls locker room renovations
- Turf fields, with bleacher canopies, for all high school softball and baseball fields
- New Memorial Pathway Academy/Student Services Center
- New Transportation Center
- New Network Operations Center (NOC)
- New Agriculture Sciences Facility
- Gilbreath-Reed Career and Technology Center expansion

**Proposition B - \$135,910,000**

- Multi-Program Activity Centers at all seven high schools

**Proposition C - \$40,605,000**

- Technology Device Refresh for students and staff

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             | 17 years           |
| Elementary Schools       | 47            | 46 years           |
| Middle Schools           | 12            | 49 years           |
| High Schools             | 7             | 46 years           |
| Other Learning Centers   | 4             | 38 years           |

**Fund Balance.** The unassigned fund balance in the general fund is 48.1% of general fund expenditures and 45.0% of the 2023 adopted general fund budget. This represents 5.8 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, although we continue to address additional ways to further address cost savings measures.

## MAJOR INITIATIVES AND ACCOMPLISHMENTS

Garland ISD has been selected as one of Texas's top five Outstanding School Districts. This prestigious award, presented by H-E-B in their Excellence in Education program, recognizes school districts that have made a tremendous impact on their community through outstanding student achievement as well as parent and community involvement. Garland ISD demonstrates exceptional leadership dedicated to student achievement through innovative programs, engagement from families and the surrounding community, as well as professional development opportunities for teachers and administrators.

A dedicated educator from Sachse High School has been honored as the Region 10 Secondary Teacher of the Year. Mr. John Murray, an English teacher known for his innovative teaching methods and commitment to his students, has been recognized for his outstanding contributions to education. Mr. Murray, who teaches English at Sachse High School, has consistently demonstrated an unparalleled passion for the subject. His unique approach to teaching has not only inspired countless students to fall in love with the subject of English but has also helped them achieve academic excellence.

The Garland ISD Guidance and Counseling department, in collaboration with the SEL Steering Committee, created the SEL School of Excellence Award as a unique opportunity to recognize campuses based on the effectiveness of SEL implementation. 18 campuses across the district earned a gold, silver or bronze distinction. Our Schools of Excellence serve as model campuses in implementing SEL and we are excited to honor all the work that has been done on behalf of our students and families.

Residents of Garland, Rowlett, and Sachse approved \$1.279 billion on three propositions on the May 6, 2023 bond election. At a special meeting on February 14, the Garland ISD Board of Trustees approved calling for a bond election. The bond will modernize aging facilities, enhance student safety, and provide additional infrastructure upgrades for GISD students. Proposition A allocates \$1.103 billion for safety and security upgrades including forced-entry-resistant film at all campus main entrances, safety perimeter fencing at all campuses, removal of all elementary school portables, four replacement, energy-efficient elementary campuses, renovations and improvements to all existing schools, high-priority capital improvements such as two new ADA-accessible playgrounds with canopies at every elementary school, new Memorial Pathway Academy/Student Services Center, expansion of the Gilbreath-Reed Career & Technology Center, fine arts and athletics improvements, refreshed high school auditoriums, new athletic field houses for each high school, new turf baseball and softball fields for each high school, middle school boys and girls locker room renovations, new transportation center, HVAC and roofing, new Network Operations Center and a new Agriculture Sciences facility. Proposition B provides \$135.9 million for Multi-Program Activity Centers at all high school campuses. These centers will be utilized by marching bands, drill teams, cheerleaders, special education students, athletics teams, and many others during periods of rain, snow, extreme heat or cold and other weather concerns. Proposition C designates \$40.6 million for 1:1 student and staff device refresh.

## 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, 2022. 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-four 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.

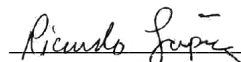
The District was awarded a Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) stating that the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022, substantially conformed to the recommended principles and standards of financial reporting adopted by that organization. The District has received the Certificate of Excellence for thirty-five 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.

The Texas Association of School Business Officials (TASBO) awarded the District the prestigious Award of Excellence in Financial Management and the Award of Merit for Purchasing Operations. The Award of Excellence is given to Texas school districts, open-enrollment charter schools, and education services centers that demonstrate professional standards, best practices, and innovations in the area of financial management and reporting. Award of Merit for Purchasing Operations recognizes educational organizations with the best practice in the area of purchasing.

**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



Darrell Dodds  
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, 2022

*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, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

**John W. Hutchison**  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

**Siobhán McMahon, CAE**  
Chief Operations Officer/  
Interim 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, 2023, 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, 2023, 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 November 14, 2023 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  
November 14, 2023

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**Garland Independent School District**  
 Management's Discussion and Analysis  
 Year Ended June 30, 2023

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, 2023.

**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 \$435,926,636 (net position). Of this amount \$111,578,260 was restricted for specific purposes (i.e. Federal/State grants, Debt Service and Student Nutrition). Unrestricted net position was (\$104,390,058) 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 \$411,367,226, which breaks down as follows.

|               |    |                    |               |
|---------------|----|--------------------|---------------|
| Non-Spendable | \$ | 4,779,473          | 1.2%          |
| Restricted    |    | 117,746,071        | 28.6%         |
| Committed     |    | 10,917,895         | 2.7%          |
| Assigned      |    | 25,244,762         | 6.1%          |
| Unassigned    |    | 252,679,025        | 61.4%         |
| Total         | \$ | <u>411,367,226</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 25-62 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 63-70 of this report.

Combining statements are prepared in connection with internal service funds and are presented immediately following the required supplementary information on pages 71-80 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, 2023, assets and deferred outflow of resources exceeded liabilities and deferred inflows by \$435,926,636.

### The District’s Net Position

|                          | Governmental<br>Activities |                       |
|--------------------------|----------------------------|-----------------------|
|                          | 2023                       | 2022                  |
| Current and other assets | \$ 485,993,249             | \$ 526,591,944        |
| Capital assets           | 781,767,064                | 779,644,298           |
| Restricted assets        | 10,950,000                 | -                     |
| Total assets             | <u>1,278,710,313</u>       | <u>1,306,236,242</u>  |
| Total deferred outflows  | 107,962,616                | 84,679,844            |
| Noncurrent liabilities   | 694,412,827                | 710,844,355           |
| Other liabilities        | <u>73,643,854</u>          | <u>90,629,086</u>     |
| Total liabilities        | <u>768,056,681</u>         | <u>801,473,441</u>    |
| Total deferred inflows   | 182,689,612                | 217,867,192           |
| Net investment in        |                            |                       |
| capital assets           | 428,738,434                | 361,452,377           |
| Restricted               | 111,578,260                | 105,839,649           |
| Unrestricted             | <u>(104,390,058)</u>       | <u>(95,716,573)</u>   |
| Total net position       | <u>\$ 435,926,636</u>      | <u>\$ 371,575,453</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 2023 and 2022 increased by \$64.3 million. The District’s net investment in capital assets is \$428.7 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, \$111.6 million are restricted resources subject to external restrictions on how they are used, and (\$104.4) 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, 2023 and 2022, respectively.

## Changes in the District's Net Position

|                                           | Governmental<br>Activities |                       |
|-------------------------------------------|----------------------------|-----------------------|
|                                           | 2023                       | 2022                  |
| Revenues:                                 |                            |                       |
| Program revenues                          |                            |                       |
| Charges for services                      | \$ 10,346,086              | \$ 6,449,341          |
| Operating grants and contributions        | 121,327,664                | 134,922,344           |
| General revenues                          |                            |                       |
| Property taxes                            | 325,541,650                | 299,361,932           |
| State grants                              | 227,774,513                | 244,406,171           |
| Other                                     | 25,628,280                 | 12,010,586            |
| Total revenues                            | <u>710,618,193</u>         | <u>697,150,374</u>    |
| Expenses                                  |                            |                       |
| Instructional and                         |                            |                       |
| instructional related services            | 374,805,327                | 341,880,762           |
| Instructional and school leadership       | 45,283,857                 | 41,608,369            |
| Support services - student                | 105,712,423                | 100,641,905           |
| Administrative support services           | 19,524,991                 | 16,676,471            |
| Support services – non-student            | 85,646,943                 | 100,193,624           |
| Community services                        | 3,173,845                  | 2,754,483             |
| Debt service                              | 10,975,690                 | 16,168,281            |
| Facilities repairs and maintenance        | 592,688                    | 541,822               |
| Payments to fiscal agent of               |                            |                       |
| shared services arrangement               | 137,800                    | 176,895               |
| Payments to JJAEP                         | 58,632                     | 30,702                |
| Intergovernmental charges                 | 982,673                    | 897,947               |
| Total expenses                            | <u>646,894,869</u>         | <u>621,571,261</u>    |
| Excess of revenues over expenses          | 63,723,324                 | 75,579,113            |
| Special item - gain on disposal of assets | <u>627,859</u>             | <u>1,544,245</u>      |
| Increase/(Decreases) in net position      | 64,351,183                 | 77,123,358            |
| Beginning net position                    | 371,575,453                | 294,452,095           |
| Prior Period Adjustment                   |                            |                       |
| Ending net position                       | <u>\$ 435,926,636</u>      | <u>\$ 371,575,453</u> |

**Governmental activities.** Governmental activities increased the District's net position by \$64,351,183. The total cost of all *governmental activities* this year was \$646,894,869. The amount our taxpayers paid for these activities through property taxes was \$325,541,650 or 50%.

### 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 \$411,367,226 a decrease of \$20,617,874 from last year’s restated fund balance.

|                                                               |                       |               |
|---------------------------------------------------------------|-----------------------|---------------|
| Non-Spendable - Inventories                                   | \$ 4,779,473          | 1.2%          |
| Restricted - Grant Funds                                      | 19,609,985            | 4.8%          |
| Restricted - Capital Acquisitions and Contractual Obligations | 5,446,933             | 1.3%          |
| Restricted - Retirement of Long-term Debt                     | 92,689,153            | 22.5%         |
| Committed - Self-Insurance                                    | 7,000,000             | 1.7%          |
| Committed - Local Special Revenue Funds                       | 3,917,895             | 1.0%          |
| Assigned - Construction and Capital Expenditures              | 24,121,862            | 5.9%          |
| Assigned - Other                                              | 1,122,900             | 0.3%          |
| Unassigned                                                    | 252,679,025           | 61.3%         |
|                                                               | <u>\$ 411,367,226</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 \$252,679,025. 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 47.8% of the total general fund expenditures, while total fund balance represents 49.7% of that same amount.

The general fund’s fund balance decreased \$23,065,179 during the current fiscal year. The decrease is primary due to the transfers out to the capital projects funds and Curtis Culwell Center internal service fund to fund construction projects described in Note 8. Other factors affecting the decreases are increased payroll expenditures with no new revenue from the state.

The debt service fund has a total fund balance of \$92,689,153 all of which is restricted for the payment of debt service. The decrease in debt services fund balance was \$5,566,474. This decrease was due to a debt defeasance the district was able to do in June 2023 saving that district over \$14 million in future interest expenditures.

The capital projects fund increased its fund balance by \$4,863,398. This increase is due to transfers in from the general plan for construction projects describe in Note 8. The projects are in addition to the planned construction and renovation expenditures of school facilities associated with the November 2014 and May 2023 bond authorizations.

The special revenue fund increased its fund balance by \$3,150,381. This increase is primarily due to a \$5,130,015 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, 2023, amounted to \$8,392,791, a decrease of \$221,223. This is due in part to the increase in workers compensation claims experienced by the district. It was offset by an increase to the Curtis Culwell Center fund due to the transfer in from the general funds as detailed in Note 8.

## Budgetary Highlights

In June 2022 the Board of Trustees adopted the 2022-23 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

- \$1,800,000 increase in local revenue to higher than projected tax collections
- \$9,000,000 increase in interest income.
- \$3,400,000 decrease in SHARS revenue due to change in the programmatic requirements
- \$3,400,000 decrease in state funding due to changes in projected Teacher Incentive Allotment

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:

- \$2,396,375 transferred out to capital projects to replace video scoreboards at Williams and HBJ Stadium.
- \$8,910,408 transferred out to capital projects to fund Turf, Track, and Scoreboard projects at selected high school campuses.
- \$1,000,000 transferred out to capital projects to fund the remaining portion of the Hudson MS Sanitary Line Replacement Phase I & II.
- \$196,901 transferred out to capital projects to fund the remaining construction of the Park Crest Elementary School Garden Project.
- \$2,695,934 transferred out to capital projects to fund the eight Fine Arts Semi-Trailers and Cabs.

- \$2,497,630 transferred out to capital projects to fund HVAC Capital Improvements Increase and HVAC Controls Upgrade
- \$380,000 was transferred out to the Curtis Culwell Center Internal Service Fund to make improvements to the digital signage

After appropriations were amended as described above, actual revenues were \$8,846,192 less than final budgeted amounts due to less revenue from federal programs indirect cost reimbursement than final budgeted estimates. Actual expenditures were \$34,424,751 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 less than expenditures, thus taking from to existing fund balance.

#### NATIONAL BREAKFAST AND LUNCH PROGRAM

##### Revenues

- \$2,000,000 decrease in local revenue offset by a \$2,000,000 increase in federal revenue due to increase in anticipated meal participation.

##### Expenditures

- \$1,500,000 decrease in food services expenditures due savings from the adopted budget.

Actual revenues were \$735,384 greater than final budgeted amounts due to more revenue in federal sources than final budgeted estimates. Actual expenditures were \$4,346,631 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 \$781,767,064 and \$779,644,298 as of June 30, 2023 and 2022, respectively. This investment in capital assets includes land, buildings and improvements, furniture and equipment, rights to use assets and SBITAs..

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

|                                          | <u>2023</u>           | <u>2022</u>           |
|------------------------------------------|-----------------------|-----------------------|
| Governmental Activities                  |                       |                       |
| Land                                     | \$ 35,835,595         | \$ 35,835,595         |
| Land improvements, net                   | 18,398,983            | 20,475,187            |
| Buildings and improvements, net          | 659,945,064           | 671,566,317           |
| Furniture and equipment, net             | 24,694,872            | 27,370,239            |
| Right to Use Lease Asset - Building, net | 314,803               | 563,315               |
| SBITA, net                               | 13,235,520            | -                     |
| Right to Use Lease Asset -Equipment, net | 4,575,282             | -                     |
| Construction in progress                 | 24,766,945            | 23,833,645            |
| Total at historical cost                 | <u>\$ 781,767,064</u> | <u>\$ 779,644,298</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, 2023, the District had total bonded debt outstanding of \$345,570,000 a decrease of \$78,470,000 from the prior year. This decrease is due to scheduled bond payments and a defeasance along with no new issuances of building bonds for the 2023 year.

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

### **Economic Factors and Next Year’s Budgets and Rates**

- The unemployment rate for the City of Garland stands at 4.1%. Dallas County has a 4.3% unemployment rate as compared to a statewide rate of 4.5% and a national average of 3.9%.
- Inflationary trends in the region tend to be similar to the national consumer price index (CPI). The region’s CPI increased 4.0% while the nation experienced a 3.7% increase.
- The District’s student attendance rate has historically been approximately 97%.
- The District has appropriated revenues of \$513,574,982 and expenditures of \$583,361,378 in the 2023-24 budget of the General Fund.
- The Debt Service Fund has budgeted revenues of \$113,831,072 and expenditures of \$75,507,045 in the 2023-24 budget.
- The Student Nutrition Services Fund revenue and expenditure budgets for 2022-23 are \$36,162,408 and \$44,051,701, respectively.
- The 2023-24 budget is based on a total property tax rate of \$1.0532 per hundred dollars of assessed value. The property tax rate for maintenance and operations is \$0.6692 per hundred dollars of assessed value. The debt service tax rate is \$0.3840 per hundred dollars of assessed value. The District’s taxable value for 2023-24 increased 3.12% 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, 2023

Exhibit A-1

| Data<br><u>Codes</u>                                      | <u>Governmental<br/>Activities</u> |
|-----------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                             |                                    |
| 1110 Cash and Cash Equivalents                            | \$ 389,970,594                     |
| 1220 Property Taxes - Receivable - Delinquent             | 8,801,617                          |
| 1230 Allowance for Uncollectible Taxes (Credit)           | (455,636)                          |
| 1240 Due From Other Governments                           | 82,455,301                         |
| 1290 Other Receivables, net                               | 441,900                            |
| 1300 Inventories                                          | 4,779,473                          |
| Capital Assets:                                           |                                    |
| 1510 Land                                                 | 35,835,595                         |
| 1510 Land Improvements, net                               | 18,398,983                         |
| 1520 Buildings and Building Improvements, net             | 659,945,064                        |
| 1530 Furniture and Equipment, net                         | 24,694,872                         |
| 1551 Right to Use Lease Asset - Building, net             | 314,803                            |
| 1553 SBITA, net                                           | 13,235,520                         |
| 1559 Right to Use Lease Asset -Equipment, net             | 4,575,282                          |
| 1580 Construction in Progress                             | 24,766,945                         |
| 1800 Restricted Assets                                    | <u>10,950,000</u>                  |
| 1000 Total Assets                                         | <u>1,278,710,313</u>               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                     |                                    |
| 1700 Deferred Charge on Refunding                         | 2,369,145                          |
| 1705 Deferred Outflow of Resources for Pension Activities | 77,541,266                         |
| 1706 Deferred Outflow of Resources for OPEB               | <u>28,052,205</u>                  |
| Total Deferred Outflows of Resources                      | <u>107,962,616</u>                 |
| <b>LIABILITIES</b>                                        |                                    |
| 2110 Accounts Payable                                     | 9,890,538                          |
| 2140 Interest Payable                                     | 5,675,824                          |
| 2150 Payroll Deductions and Withholdings                  | 1,710,065                          |
| 2160 Accrued Wages Payable                                | 54,511,001                         |
| 2180 Due to other governments                             | 566,807                            |
| 2200 Accrued Expenses                                     | 266,238                            |
| 2300 Unearned Revenues                                    | 1,023,381                          |
| Noncurrent Liabilities:                                   |                                    |
| 2501 Due Within One Year                                  | 57,095,446                         |
| 2502 Due in More Than One Year                            | 330,296,446                        |
| 2531 Right to Use Lease Liability Long Term               | 3,785,799                          |
| 2533 SBITA Liability—Long-Term                            | 10,584,875                         |
| 2540 Net Pension Liability                                | 189,642,334                        |
| 2545 Net OPEB Liability                                   | 95,995,296                         |
| 2532 Vested Vacation Benefits Payable                     | 1,004,779                          |
| 2533 Loan Payable - Long Term                             | 4,766,872                          |
| 2591 Long-Term Claims Liability                           | <u>1,240,980</u>                   |
| 2000 Total Liabilities                                    | <u>768,056,681</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                      |                                    |
| 2605 Deferred Inflow of Resources for Pension Activities  | 21,403,103                         |
| 2606 Deferred Inflow of Resources for OPEB                | <u>161,286,509</u>                 |
|                                                           | <u>182,689,612</u>                 |
| <b>NET POSITION</b>                                       |                                    |
| 3200 Net Investment in Capital Assets                     | 428,738,434                        |
| 3850 Restricted for Debt Service                          | 88,907,143                         |
| 3820 Restricted for Grant Funds                           | 2,390,707                          |
| 3820 Restricted for Student Nutrition Services            | 20,280,410                         |
| 3900 Unrestricted Net Position                            | <u>(104,390,058)</u>               |
| 3000 Total Net Position                                   | <u>\$ 435,926,636</u>              |

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

GARLAND INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit B-1

| Data<br>Control<br>Codes | 1                                                              | Program Revenues        |                                          | Net (Expense) Revenue and<br>Changes in Net Position |                  |
|--------------------------|----------------------------------------------------------------|-------------------------|------------------------------------------|------------------------------------------------------|------------------|
|                          |                                                                | 3                       | 4                                        |                                                      |                  |
| Functions/Programs       | Expenses                                                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities                           |                  |
| Primary Government:      |                                                                |                         |                                          |                                                      |                  |
| Governmental Activities: |                                                                |                         |                                          |                                                      |                  |
| 11                       | Instruction                                                    | \$ 344,259,620          | \$ 168,737                               | \$ 46,643,756                                        | \$ (297,447,127) |
| 12                       | Instructional Resources And Media Services                     | 8,487,030               |                                          | 248,840                                              | (8,238,190)      |
| 13                       | Curriculum And Staff Development                               | 22,058,677              |                                          | 11,795,039                                           | (10,263,638)     |
| 21                       | Instructional Leadership                                       | 12,080,850              |                                          | 5,268,164                                            | (6,812,686)      |
| 23                       | School Leadership                                              | 33,203,007              |                                          | 1,965,090                                            | (31,237,917)     |
| 31                       | Guidance, Counseling, And Evaluation Services                  | 27,249,421              |                                          | 3,420,836                                            | (23,828,585)     |
| 32                       | Social Work Services                                           | 852,798                 |                                          | 470,673                                              | (382,125)        |
| 33                       | Health Services                                                | 8,094,188               |                                          | 291,661                                              | (7,802,527)      |
| 34                       | Student Transportation                                         | 22,770,194              |                                          | 6,097,079                                            | (16,673,115)     |
| 35                       | Food Service                                                   | 30,487,660              | 4,968,582                                | 31,455,926                                           | 5,936,848        |
| 36                       | Extracurricular Activities                                     | 16,258,162              | 4,796,141                                | 309,793                                              | (11,152,228)     |
| 41                       | General Administration                                         | 19,524,991              |                                          | 1,161,142                                            | (18,363,849)     |
| 51                       | Facilities Maintenance And Operations                          | 58,623,991              | 412,626                                  | 1,320,629                                            | (56,890,736)     |
| 52                       | Security And Monitoring Services                               | 7,553,802               |                                          | 25,783                                               | (7,528,019)      |
| 53                       | Data Processing Services                                       | 19,469,150              |                                          | 2,994,026                                            | (16,475,124)     |
| 61                       | Community Services                                             | 3,173,845               |                                          | 863,776                                              | (2,310,069)      |
| 72                       | Interest On Long-Term Debt                                     | 10,946,790              |                                          | 5,538,826                                            | (5,407,964)      |
| 73                       | Bond Issuance Costs And Fees                                   | 28,900                  |                                          |                                                      | (28,900)         |
| 81                       | Facilities Planning                                            | 592,688                 |                                          | 1,319,933                                            | 727,245          |
| 93                       | Payments To Fiscal Agent Of Shared<br>Services Arrangement     | 137,800                 |                                          | 136,674                                              | (1,126)          |
| 95                       | Payments To Juvenile Justice Alternative<br>Education Programs | 58,632                  |                                          |                                                      | (58,632)         |
| 99                       | Intergovernmental Charges                                      | 982,673                 |                                          | 18                                                   | (982,655)        |
| TP                       | TP Total Primary Government                                    | 646,894,869             | 10,346,086                               | 121,327,664                                          | (515,221,119)    |

Data  
Control  
Codes

General Revenues:

Taxes:

|    |                                                              |             |
|----|--------------------------------------------------------------|-------------|
| MT | Property Taxes, Levied For General Purposes                  | 237,293,135 |
| DT | Property Taxes, Levied For Debt Service                      | 88,248,515  |
| SF | State Aid-Formula Grants (Unrestricted)                      | 227,774,513 |
| GC | Grants And Contributions Not Restricted To Specific Programs | 8,033,656   |
| IE | Investment Earnings                                          | 15,700,767  |
| MI | Miscellaneous                                                | 1,893,857   |

Special Items:

|    |                                            |                |
|----|--------------------------------------------|----------------|
| SI | Special Items - Gain on Disposal of Assets | 627,859        |
| TR | Total General Revenues                     | 579,572,302    |
| CN | Change in Net Position                     | 64,351,183     |
| NB | Net Position—Beginning                     | 371,575,453    |
| NE | Net Position—Ending                        | \$ 435,926,636 |

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

GARLAND INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023

| Data<br>Control<br>Codes                                           | 10<br>General<br>Fund | 50<br>Debt Service<br>Fund |
|--------------------------------------------------------------------|-----------------------|----------------------------|
|                                                                    | Fund                  | Fund                       |
| <b>ASSETS</b>                                                      |                       |                            |
| 1110 Cash and Cash Equivalents                                     | \$ 244,909,354        | \$ 81,997,452              |
| 1220 Property Taxes Receivable - Delinquent                        | 6,525,693             | 2,275,924                  |
| 1230 Allowance for Uncollectible Taxes (Credit)                    | (382,036)             | (73,600)                   |
| 1240 Due From Other Governments                                    | 42,181,805            |                            |
| 1260 Due From Other Funds                                          | 24,077,492            |                            |
| 1290 Other Receivables                                             | 372,618               |                            |
| 1300 Inventories                                                   | 1,718,341             |                            |
| 1800 Restricted Assets                                             |                       | 10,950,000                 |
| 1000 Total Assets                                                  | 319,403,267           | 95,149,776                 |
| <b>LIABILITIES</b>                                                 |                       |                            |
| 2110 Accounts Payable                                              | 790,438               | 4                          |
| 2150 Payroll Deductions and Withholdings                           | 1,710,065             |                            |
| 2160 Accrued Wages Payable                                         | 49,048,185            |                            |
| 2170 Due to Other Funds                                            |                       |                            |
| 2180 Due to Other Governments                                      |                       | 566,807                    |
| 2200 Accrued Expenditures                                          | 12,168                |                            |
| 2300 Unearned Revenues                                             | 21,494                |                            |
| 2000 Total Liabilities                                             | 51,582,350            | 566,811                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                       |                            |
| 2600 Unavailable Revenue - Property Taxes                          | 5,300,651             | 1,893,812                  |
| Total Deferred Inflows of Resources                                | 5,300,651             | 1,893,812                  |
| <b>FUND BALANCES</b>                                               |                       |                            |
| 3410 Non-Spendable - Inventories                                   | 1,718,341             |                            |
| 3450 Restricted - Grant Funds                                      |                       |                            |
| 3470 Restricted - Capital Acquisitions and Contractual Obligations |                       |                            |
| 3480 Restricted - Retirement of Long-term Debt                     |                       | 92,689,153                 |
| 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                                                    | 252,679,025           |                            |
| 3000 Total Fund Balances                                           | 262,520,266           | 92,689,153                 |
| 4000 Total Liabilities, Deferred Inflows, and Fund Balances        | \$ 319,403,267        | \$ 95,149,776              |

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



| 60<br>Capital<br>Projects | Special<br>Revenue Fund | Total<br>Governmental<br>Funds |
|---------------------------|-------------------------|--------------------------------|
| \$ 34,266,542             | \$ 17,593,642           | \$ 378,766,990                 |
|                           |                         | 8,801,617                      |
|                           |                         | (455,636)                      |
|                           | 40,273,496              | 82,455,301                     |
|                           |                         | 24,077,492                     |
|                           |                         | 372,618                        |
|                           | 3,061,132               | 4,779,473                      |
|                           |                         | 10,950,000                     |
| <u>34,266,542</u>         | <u>60,928,270</u>       | <u>509,747,855</u>             |
| 4,697,747                 | 4,129,853               | 9,618,042                      |
|                           |                         | 1,710,065                      |
|                           | 5,528,835               | 54,577,020                     |
|                           | 24,077,492              | 24,077,492                     |
|                           |                         | 566,807                        |
|                           | 254,070                 | 266,238                        |
|                           | 349,008                 | 370,502                        |
| <u>4,697,747</u>          | <u>34,339,258</u>       | <u>91,186,166</u>              |
|                           |                         | 7,194,463                      |
| -                         | -                       | <u>7,194,463</u>               |
|                           | 3,061,132               | 4,779,473                      |
|                           | 19,609,985              | 19,609,985                     |
| 5,446,933                 |                         | 5,446,933                      |
|                           |                         | 92,689,153                     |
|                           |                         | 7,000,000                      |
|                           | 3,917,895               | 3,917,895                      |
| 24,121,862                |                         | 24,121,862                     |
|                           |                         | 1,122,900                      |
|                           |                         | 252,679,025                    |
| <u>29,568,795</u>         | <u>26,589,012</u>       | <u>411,367,226</u>             |
| <u>\$ 34,266,542</u>      | <u>\$ 60,928,270</u>    | <u>\$ 509,747,855</u>          |

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GARLAND INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023

Exhibit C1-R

|                                                                                                                                                                                                                                                                                                                                                                               |           |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|
| <b>Total Fund Balances - Governmental Funds</b>                                                                                                                                                                                                                                                                                                                               | \$        | 411,367,226        |
| <p>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.</p> |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | 8,392,791          |
| <p>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 (\$10,231,789) are included in the net effect of consolidation above.</p>                                                                                                            |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | 1,378,908,907      |
| <p>Accumulated depreciation/amortization has not been included in the fund financial statements. The accumulated depreciation/amortization related to internal service funds (\$3,821,568) is included in the net effect of consolidation above.</p>                                                                                                                          |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (603,552,064)      |
| <p>Bonds payable and related premiums have not been included in the fund financial statements</p>                                                                                                                                                                                                                                                                             |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (380,456,448)      |
| <p>Note payable for SECO loan that has not been included as liability in the fund financial statements</p>                                                                                                                                                                                                                                                                    |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (5,182,134)        |
| <p>Payable for Right to Use Building asset that has not been included as liability in the fund financial statements</p>                                                                                                                                                                                                                                                       |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (319,133)          |
| <p>Payable for Right to Use Subscription asset that has not been included as liability in the fund financial statements</p>                                                                                                                                                                                                                                                   |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (13,393,154)       |
| <p>Accrued liabilities for compensated absences due in more than one year have not been reflected in the fund financial statements.</p>                                                                                                                                                                                                                                       |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (1,004,779)        |
| <p>Revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.</p>                                                                                                                                                                                                                        |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | 7,194,463          |
| <p>Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.</p>                                                                                                                                                                                             |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (5,664,413)        |
| <p>Loss on bond refunding has not been included in the fund financial statements.</p>                                                                                                                                                                                                                                                                                         |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | 2,369,145          |
| <p>Net pension liability has not been included in the fund financial statements</p>                                                                                                                                                                                                                                                                                           |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (189,642,334)      |
| <p>Net OPEB liability has not been included in the fund financial statements</p>                                                                                                                                                                                                                                                                                              |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (95,995,296)       |
| <p>Deferred outflows of resources relating to pension activities have not been included in the fund financial statements</p>                                                                                                                                                                                                                                                  |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | 77,541,266         |
| <p>Deferred outflows of resources relating to OPEB activities have not been included in the fund financial statements</p>                                                                                                                                                                                                                                                     |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | 28,052,205         |
| <p>Deferred inflows of resources relating to pension activities have not been included in the fund financial statements</p>                                                                                                                                                                                                                                                   |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (21,403,103)       |
| <p>Deferred inflows of resources relating to OPEB activities have not been included in the fund financial statements</p>                                                                                                                                                                                                                                                      |           |                    |
|                                                                                                                                                                                                                                                                                                                                                                               |           | (161,286,509)      |
| <b>Net Position of Governmental Activities</b>                                                                                                                                                                                                                                                                                                                                | <b>\$</b> | <b>435,926,636</b> |

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, 2023

| Data<br>Control<br>Codes                                       | 10<br>General<br>Fund | 50<br>Debt Service<br>Fund |
|----------------------------------------------------------------|-----------------------|----------------------------|
|                                                                | Fund                  | Fund                       |
| <b>REVENUES:</b>                                               |                       |                            |
| 5700 Total local and intermediate sources                      | \$ 252,905,616        | \$ 90,139,002              |
| 5800 State program revenues                                    | 256,354,951           | 2,649,396                  |
| 5900 Federal program revenues                                  | 13,282,191            | 474,313                    |
| 5020 Total Revenues                                            | 522,542,758           | 93,262,711                 |
| <b>EXPENDITURES:</b>                                           |                       |                            |
| Current:                                                       |                       |                            |
| 0011 Instruction                                               | 306,231,985           |                            |
| 0012 Instructional Resources and Media Services                | 8,181,695             |                            |
| 0013 Curriculum and Instructional Staff Development            | 12,296,927            |                            |
| 0021 Instructional Leadership                                  | 8,014,511             |                            |
| 0023 School Leadership                                         | 33,356,913            |                            |
| 0031 Guidance, Counseling, and Evaluation Services             | 25,484,216            |                            |
| 0032 Social Work Services                                      | 508,927               |                            |
| 0033 Health Services                                           | 8,341,368             |                            |
| 0034 Student (Pupil) Transportation                            | 19,887,438            |                            |
| 0035 Food Services                                             | 80,523                |                            |
| 0036 Cocurricular/Extracurricular Activities                   | 12,507,979            |                            |
| 0041 General Administration                                    | 18,892,634            |                            |
| 0051 Facilities Maintenance and Operations                     | 46,811,681            |                            |
| 0052 Security and Monitoring Services                          | 7,593,285             |                            |
| 0053 Data Processing Services                                  | 15,362,592            |                            |
| 0061 Community Services                                        | 1,669,370             |                            |
| Debt Service:                                                  |                       |                            |
| 0071 Debt Service-Principal on Long-Term Debt                  | 1,954,489             | 80,201,643                 |
| 0072 Debt Service-Interest on Long-Term Debt                   |                       | 18,598,642                 |
| 0073 Debt Service-Bond Issuance Cost and Fees                  |                       | 28,900                     |
| Capital Outlay:                                                |                       |                            |
| 0081 Facilities Acquisition and Construction                   |                       |                            |
| Intergovernmental:                                             |                       |                            |
| 0093 Payments Related to Shared Services Arrangements          |                       |                            |
| 0095 Payments to Juvenile Justice Alternative Ed Program       | 58,632                |                            |
| 0099 Other Intergovernmental Charges                           | 982,453               |                            |
| 6030 Total Expenditures                                        | 528,217,618           | 98,829,185                 |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,674,860)           | (5,566,474)                |
| <b>OTHER FINANCING SOURCES (USES):</b>                         |                       |                            |
| 7912 Sale of Real and Personal Property                        | 234,922               |                            |
| 7915 Transfers In                                              |                       |                            |
| 7949 Other Financing Sources - SBITA                           | 1,205,298             |                            |
| 8911 Transfers Out                                             | (18,830,539)          |                            |
| 7080 Total Other Financing Sources (Uses)                      | (17,390,319)          | -                          |
| 1200 Net Change in Fund Balances                               | (23,065,179)          | (5,566,474)                |
| 0100 Fund Balance - July 1 (Beginning)                         | 285,585,445           | 91,495,627                 |
| 1300 Prior Period Adjustment                                   |                       | 6,760,000                  |
| 0100 Fund Balance - July 1 (Beginning, restated)               | 285,585,445           | 98,255,627                 |
| 3000 Fund Balance - June 30 (Ending)                           | \$ 262,520,266        | \$ 92,689,153              |

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

| 60<br>Capital<br>Projects | Special<br>Revenue Fund | Total<br>Governmental<br>Funds |
|---------------------------|-------------------------|--------------------------------|
| \$ 331,439                | \$ 10,156,121           | \$ 353,532,178                 |
|                           | 5,571,475               | 264,575,822                    |
| 125,730                   | 105,698,656             | 119,580,890                    |
| 457,169                   | 121,426,252             | 737,688,890                    |
| 545,205                   | 50,763,233              | 357,540,423                    |
|                           | 357,847                 | 8,539,542                      |
|                           | 11,896,410              | 24,193,337                     |
|                           | 5,311,383               | 13,325,894                     |
|                           | 2,270,908               | 35,627,821                     |
|                           | 3,450,905               | 28,935,121                     |
|                           | 474,431                 | 983,358                        |
|                           | 294,247                 | 8,635,615                      |
| 1,354,669                 | 659,893                 | 21,902,000                     |
|                           | 31,545,283              | 31,625,806                     |
|                           | 1,920,386               | 14,428,365                     |
|                           | 1,174,868               | 20,067,502                     |
| 126,220                   | 1,332,606               | 48,270,507                     |
|                           | 39,320                  | 7,632,605                      |
| 587,429                   | 3,020,560               | 18,970,581                     |
|                           | 884,900                 | 2,554,270                      |
|                           | 2,436,525               | 84,592,657                     |
|                           |                         | 18,598,642                     |
|                           |                         | 28,900                         |
| 11,823,724                | 1,330,483               | 13,154,207                     |
|                           | 137,800                 | 137,800                        |
|                           |                         | 58,632                         |
|                           | 220                     | 982,673                        |
| 14,437,247                | 119,302,208             | 760,786,258                    |
| (13,980,078)              | 2,124,044               | (23,097,368)                   |
| 392,937                   |                         | 627,859                        |
| 18,450,539                |                         | 18,450,539                     |
|                           | 1,026,337               | 2,231,635                      |
|                           |                         | (18,830,539)                   |
| 18,843,476                | 1,026,337               | 2,479,494                      |
| 4,863,398                 | 3,150,381               | (20,617,874)                   |
| 24,705,397                | 23,438,631              | 425,225,100                    |
|                           |                         | 6,760,000                      |
| 24,705,397                | 23,438,631              | 431,985,100                    |
| \$ 29,568,795             | \$ 26,589,012           | \$ 411,367,226                 |

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, 2023

|                                                                                                                                                                                                                                                                                                                                                                                 |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Total Net Change in Fund Balance - Governmental Funds</b>                                                                                                                                                                                                                                                                                                                    | \$ (20,617,874)      |
| 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.                                                         | (221,223)            |
| 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 2023 capital outlays is to increase net position by total governmental activities additions (\$19,064,461) less internal service fund additions (\$1,673,536).    | 19,597,606           |
| 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 (\$650,742) is included in the net effect of consolidation above. | (37,926,331)         |
| 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.                                                                                                                                                                                                      | 78,470,000           |
| Current year SECO payment is in the fund financial statements but shown as reductions in long-term debt in the government-wide financial statements.                                                                                                                                                                                                                            | 411,150              |
| Current year Right to Use Building payment is in the fund financial statements but shown as reductions in long-term debt in the government-wide financial statements.                                                                                                                                                                                                           | 250,040              |
| Current year SBITA payment is in the fund financial statements but shown as reductions in long-term debt in the government-wide financial statements.                                                                                                                                                                                                                           | 3,265,981            |
| Amortization of the premium of current interest bonds is only reported in the government-wide financial statements.                                                                                                                                                                                                                                                             | 9,629,868            |
| SBITA's were recorded in 7949 in the fund level statements shown as an increase in the long term liability. . The SBITA Agreements related to prior year was \$14,427,500, upon implementation in fiscal year 2023.                                                                                                                                                             | (2,231,635)          |
| 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.                                                                                                                                                                                                     | 1,310,078            |
| 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.                                                                                                | 1,192,096            |
| 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.                                                                                                                                | (920,587)            |
| 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.                                                                                                                                                                                                  | (88,873)             |
| 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                                                                                                                                                                                                 | 29,611,014           |
| 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                                                                                                                                                                                                    | (5,407,656)          |
| 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                                                                                                                                                                                                  | 75,241,591           |
| 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                                                                                                                                                                                                     | (40,064,011)         |
| 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.                                                                                                                                                                                                                 | (109,510,488)        |
| 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.                                                                                                                                                                                                                    | 62,360,437           |
| <b>Change in Net Position of Governmental Activities</b>                                                                                                                                                                                                                                                                                                                        | <b>\$ 64,351,183</b> |

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

GARLAND INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
JUNE 30, 2023

Exhibit D-1

|                                                             | Governmental<br><u>Activities</u> | Internal<br><u>Service Funds</u> |
|-------------------------------------------------------------|-----------------------------------|----------------------------------|
| <b>ASSETS</b>                                               |                                   |                                  |
| Current Assets:                                             |                                   |                                  |
| Cash and Cash Equivalents                                   | \$                                | 11,203,604                       |
| Other Receivables                                           |                                   | 69,282                           |
| Total Current Assets                                        |                                   | <u>11,272,886</u>                |
| Noncurrent Assets:                                          |                                   |                                  |
| Capital Assets:                                             |                                   |                                  |
| Land Improvements                                           |                                   | 251,316                          |
| Building and Building Improvements                          |                                   | 699,235                          |
| Furniture and Equipment                                     |                                   | 4,280,039                        |
| Right to Use Asset - Equipment                              |                                   | 5,001,199                        |
| Accumulated Depreciation-Other Land Improvements            |                                   | (155,797)                        |
| Accumulated Depreciation-Building and Building Improvements |                                   | (206,594)                        |
| Accumulated Depreciation-Furniture and Equipment            |                                   | (3,033,260)                      |
| Accumulated Amortization-Right to Use Equipment             |                                   | (425,917)                        |
| Total Noncurrent Assets                                     |                                   | <u>6,410,221</u>                 |
| Total Assets                                                |                                   | <u>17,683,107</u>                |
| <b>LIABILITIES</b>                                          |                                   |                                  |
| Current Liabilities:                                        |                                   |                                  |
| Accounts Payable                                            |                                   | 272,496                          |
| Interest Payable                                            |                                   | 11,409                           |
| Accrued Wages Payable                                       |                                   | 8,291                            |
| Claims Liability                                            |                                   | 2,540,914                        |
| Unearned Revenues                                           |                                   | 652,879                          |
| Total Current Liabilities                                   |                                   | <u>3,485,989</u>                 |
| Noncurrent liabilities:                                     |                                   |                                  |
| Right to Use Lease Asset Payable - Due within one year      |                                   | 843,384                          |
| Right to Use Lease Asset Payable - Long Term                |                                   | 3,719,963                        |
| Claims Liability Long-Term                                  |                                   | 1,240,980                        |
| Total Noncurrent liabilities                                |                                   | <u>5,804,327</u>                 |
| Total Liabilities                                           |                                   | <u>9,290,316</u>                 |
| <b>NET POSITION</b>                                         |                                   |                                  |
| Net Investment in Capital Assets                            |                                   | 1,846,874                        |
| Unrestricted Net Position                                   |                                   | 6,545,917                        |
| Total Net Position                                          | \$                                | <u>8,392,791</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, 2023

Exhibit D-2

|                                          |    | Governmental<br><u>Activities</u> |
|------------------------------------------|----|-----------------------------------|
|                                          |    | <u>Internal<br/>Service Funds</u> |
| <b>OPERATING REVENUES:</b>               |    |                                   |
| Local and Intermediate Sources           | \$ | 8,395,046                         |
| Total Operating Revenues                 |    | <u>8,395,046</u>                  |
| <b>OPERATING EXPENSES:</b>               |    |                                   |
| Payroll Costs                            |    | 1,982,357                         |
| Professional and Contracted Services     |    | 2,515,507                         |
| Supplies and Materials                   |    | 736,083                           |
| Other Operating Costs                    |    | 3,023,983                         |
| Depreciation/Amortization                |    | 650,742                           |
| Total Operating Expenses                 |    | <u>8,908,672</u>                  |
| Operating Income (Loss)                  |    | <u>(513,626)</u>                  |
| <b>NONOPERATING REVENUES (EXPENSES):</b> |    |                                   |
| Interest on Capital Lease                |    | (87,597)                          |
| Transfer In                              |    | 380,000                           |
| Total Nonoperating Revenues (Expenses)   |    | <u>292,403</u>                    |
| Change in Net Position                   |    | (221,223)                         |
| Total Net Position - July 1 (Beginning)  |    | <u>8,614,014</u>                  |
| Total Net Position - June 30 (Ending)    | \$ | <u><u>8,392,791</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, 2023

Exhibit D-3

|                                                                                                   |    | <u>Governmental<br/>Activities</u> |
|---------------------------------------------------------------------------------------------------|----|------------------------------------|
|                                                                                                   |    | <u>Internal<br/>Service Funds</u>  |
| Cash Flows from Operating Activities:                                                             |    |                                    |
| Cash Received from User Charges                                                                   | \$ | 4,603,825                          |
| Cash Received from Assessments - Other Funds                                                      |    | 3,788,592                          |
| Cash Payments to Employees for Services                                                           |    | (1,999,957)                        |
| Cash Payments for Insurance Claims                                                                |    | (2,498,970)                        |
| Cash Payments to Suppliers                                                                        |    | (837,525)                          |
| Cash Payments for Other Operating Expenses                                                        |    | (77,456)                           |
| Cash Payments for Prof. and Contracted Services                                                   |    | (2,532,866)                        |
| Net Cash Provided by (Used for) Operating Activities                                              |    | 445,643                            |
| Cash Flows from Noncapital Financing Activities:                                                  |    |                                    |
| Transfer In                                                                                       |    | 380,000                            |
| Net Cash Provided by (Used for) Noncapital Financing Activities                                   |    | 380,000                            |
| Cash Flows from Capital Financing Activities:                                                     |    |                                    |
| Acquisition of Capital Assets                                                                     |    | (1,673,536)                        |
| Lease Payments                                                                                    |    | (493,392)                          |
| Lease Interest Expense                                                                            |    | (87,597)                           |
| Net Cash Provided by (Used for) Capital Financing Activities                                      |    | (2,254,525)                        |
| Net Increase in Cash and Cash Equivalents                                                         |    | (1,428,882)                        |
| Cash and Cash Equivalents at Beginning of the Year                                                |    | 12,632,486                         |
| Cash and Cash Equivalents at the End of the Year                                                  |    | 11,203,604                         |
| Reconciliation of Operating Income (Loss) to Net Cash<br>Provided by Operating Activities:        |    |                                    |
| Operating Income (Loss)                                                                           |    | (513,626)                          |
| Adjustments to Reconcile Operating Income (Loss) to Net<br>Cash Provided by Operating Activities: |    |                                    |
| Depreciation/Amortization                                                                         |    | 650,742                            |
| Assets and Liabilities:                                                                           |    |                                    |
| Decrease in Other Receivables                                                                     |    | 11,332                             |
| Decrease in Accounts Payable                                                                      |    | (59,653)                           |
| Decrease in Accrued Wages Payable                                                                 |    | (17,601)                           |
| Decrease in Unearned Revenue                                                                      |    | (73,108)                           |
| Increase in Claims Liability                                                                      |    | 447,557                            |
| Net Cash Provided by (Used for) Operating Activities                                              | \$ | 445,643                            |

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

GARLAND INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION – FIDUCIARY FUNDS  
JUNE 30, 2023

Exhibit E-1

|                                                             | Custodial<br>Funds |
|-------------------------------------------------------------|--------------------|
| <b>ASSETS</b>                                               |                    |
| Cash and Cash Equivalents                                   | \$ 780,691         |
| Total Assets                                                | 780,691            |
| <br><b>LIABILITIES</b>                                      |                    |
| Accounts Payable                                            | 34,955             |
| Total Liabilities                                           | 34,955             |
| <br><b>NET POSITION</b>                                     |                    |
| Restricted for student<br>scholarships and other activities | 745,736            |
| Total Net Position                                          | \$ 745,736         |

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, 2023

Exhibit E-2

|                                  | Custodial<br>Funds |
|----------------------------------|--------------------|
| <b>ADDITIONS</b>                 |                    |
| Activity fund revenues           | \$ 1,115,456       |
| Total Additions                  | 1,115,456          |
| <br><b>DEDUCTIONS</b>            |                    |
| Activity fund expenses           | 1,004,166          |
| Total Deductions                 | 1,004,166          |
| <b>CHANGE IN NET POSITION</b>    | 111,290            |
| Net position - beginning of year | 634,446            |
| Net position - end of year       | \$ 745,736         |

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, 2023

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, 2023

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription-based technology arrangements (SBITA) 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

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies – continued

acquisitions, including entering into contracts giving the District the right-to-use leased and SBITA assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and SBITAs are reported as other financing sources.

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.

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies – continued

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.

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.

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies – continued

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.

The tax rates assessed for the fiscal year ended June 30, 2023 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.8546 and \$0.3179 per \$100 valuation, respectively, for a total of \$1.1725 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, 2023, taxes receivable net of estimated uncollectible taxes, aggregated \$6,143,657 and \$2,202,354 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.



GARLAND INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies – continued

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. 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 tangible and intangible 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 and SBITA 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, right-to-use leased and right-to-use SBITA 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  |
| SBITA                                | 2-10 Years    |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies – continued

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.

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.

Subscription-Based Information Technology Arrangements

The District is under contracts for SBITA for various technology and educational software. The agreements/contracts are noncancellable and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of \$50,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies – continued

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

SBITA assets are reported with other capital assets and SBITA 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, 2023 will change.

Implementation of New Standards

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The District *has evaluated the effects of this standard and has determined that it does impact the financial statements. As such the District* has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB Statement No. 91: *Conduit Debt Obligations*. Statement 91 was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard became effective for the District in fiscal year 2023. The implementation had no significant effect on the District's financial statements.

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

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies – continued

GASB No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Statement 94 was issued in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This standard became effective for the District in fiscal year 2023. The implementation had no significant effect on the District's financial statements.

GASB No.100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. Statement 100 was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. In addition, this Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections. This statement becomes effective for the District in fiscal year 2024. The District has not yet determined the impact of this statement.

GASB No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Further, this Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement becomes effective for the District in fiscal year 2025. The District has not yet determined the impact of this statement.

Note 2. Cash and Investments

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

At June 30, 2023, the carrying amount of the District's deposits was \$15,828,220 and the bank balance was \$18,969,608. In addition, the District had various petty cash balances held at different locations amounting to \$19,632.

The District's entire bank balance on June 30, 2023 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.

In addition, \$10,950,000 is held in a restricted cash account for the QSCB, Series 2009B and 2012, respectively. These annual deposits plus the interest earned on the reserve accounts will be used to pay off the debt upon maturity in 2024 and 2031.

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 2. Cash and Investments – continued

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, 2023, the District’s exposure to interest rate risk, as measured by the segmented time distribution by investment type, is summarized below:

|                            | Rating | Carrying<br>Amount/<br>Fair Value | Investment Maturities in Months |                |         |
|----------------------------|--------|-----------------------------------|---------------------------------|----------------|---------|
|                            |        |                                   | Less than 1                     | 1 to 6         | 7 to 12 |
| TexPool                    | AAAm   | \$ 143,863,552                    | \$ 143,863,552                  | \$ -           | \$ -    |
| Texas CLASS                | AAAm   | 22,585,833                        | 22,585,833                      |                |         |
| Lone Star                  | AAAm   | 5,841,171                         | 5,841,171                       |                |         |
| Federal Home Loan Bank     | AA+    | 14,955,778                        |                                 | 14,955,778     |         |
| Federal Home Loan Bank     | AA+    | 14,955,778                        |                                 | 14,955,778     |         |
| Federal Home Loan Bank     | AA+    | 14,896,678                        |                                 | 14,896,678     |         |
| Federal Home Loan Bank     | AA+    | 14,896,679                        |                                 | 14,896,679     |         |
| Federal Home Loan Bank     | AA+    | 14,828,226                        |                                 | 14,828,226     |         |
| Federal Home Discount Note | AA+    | 14,828,226                        |                                 | 14,828,226     |         |
| Federal Home Loan Bank     | AA+    | 14,765,798                        |                                 | 14,765,798     |         |
| Federal Home Loan Bank     | AA+    | 14,765,798                        |                                 | 14,765,798     |         |
| Federal Home Loan Bank     | AA+    | 14,719,643                        |                                 | 14,719,643     |         |
| Federal Home Loan Bank     | AA+    | 14,719,644                        |                                 | 14,719,644     |         |
| Federal Home Loan Bank     | AA+    | 23,876,716                        |                                 | 23,876,716     |         |
| Federal Home Loan Bank     | AA+    | 994,863                           |                                 | 994,863        |         |
| Federal Home Loan Bank     | AA+    | 14,748,473                        |                                 | 14,748,473     |         |
| Federal Home Loan Bank     | AA+    | 14,660,577                        |                                 | 14,660,577     |         |
| Total Investments          |        | \$ 374,903,433                    | \$ 172,290,556                  | \$ 202,612,877 | \$ -    |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 2. Cash and Investments – continued

Investments' fair value measurements are as follows at June 30, 2023:

| Investments                | Fair Value            | Fair Value Measurements Using |                       |                |
|----------------------------|-----------------------|-------------------------------|-----------------------|----------------|
|                            |                       | Level 1 Inputs                | Level 2 Inputs        | Level 3 Inputs |
| Federal Home Loan Bank     | \$ 14,955,778         | \$ -                          | \$ 14,955,778         | \$ -           |
| Federal Home Loan Bank     | 14,955,778            |                               | 14,955,778            |                |
| Federal Home Loan Bank     | 14,896,678            |                               | 14,896,678            |                |
| Federal Home Loan Bank     | 14,896,679            |                               | 14,896,679            |                |
| Federal Home Loan Bank     | 14,828,226            |                               | 14,828,226            |                |
| Federal Home Discount Note | 14,828,226            |                               | 14,828,226            |                |
| Federal Home Loan Bank     | 14,765,798            |                               | 14,765,798            |                |
| Federal Home Loan Bank     | 14,765,798            |                               | 14,765,798            |                |
| Federal Home Loan Bank     | 14,719,643            |                               | 14,719,643            |                |
| Federal Home Loan Bank     | 14,719,644            |                               | 14,719,644            |                |
| Federal Home Loan Bank     | 23,876,716            |                               | 23,876,716            |                |
| Federal Home Loan Bank     | 994,863               |                               | 994,863               |                |
| Federal Home Loan Bank     | 14,748,473            |                               | 14,748,473            |                |
| Federal Home Loan Bank     | 14,660,577            |                               | 14,660,577            |                |
| <b>Total Investments</b>   | <b>\$ 202,612,877</b> | <b>\$ -</b>                   | <b>\$ 202,612,877</b> | <b>\$ -</b>    |

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, 2023 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, 2023

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, 2023, 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, 2023

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, 2023, 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, 2023

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, 2023, 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, 2023, are summarized below and are reported on the combined financial statements as Due from Other Governments.

| Fund                            | General<br>Fund      | Special<br>Revenue Fund | Total                |
|---------------------------------|----------------------|-------------------------|----------------------|
| Due from the State of Texas     | \$ 42,181,805        | \$ 40,144,426           | \$ 82,326,231        |
| Due from the Federal Government | -                    | 129,070                 | 129,070              |
| Total                           | <u>\$ 42,181,805</u> | <u>\$ 40,273,496</u>    | <u>\$ 82,455,301</u> |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 4. Capital Assets

Capital asset activity of the District for the fiscal year ended June 30, 2023, was as follows:

| Governmental Activities:                                                    | Beginning Balance |                |             |             | Ending Balance<br>6/30/2023 |
|-----------------------------------------------------------------------------|-------------------|----------------|-------------|-------------|-----------------------------|
|                                                                             | 7/1/2022          | Additions      | Retirements | Transfers   |                             |
| <b>Non-Depreciable Assets</b>                                               |                   |                |             |             |                             |
| Land                                                                        | \$ 35,835,595     | \$ -           | \$ -        | \$ -        | \$ 35,835,595               |
| Construction In Progress                                                    | 23,833,645        | 6,338,278      |             | (5,404,978) | 24,766,945                  |
| Total Non-Depreciable Assets                                                | 59,669,240        | 6,338,278      |             | (5,404,978) | 60,602,540                  |
| <b>Depreciable/Amortized Assets</b>                                         |                   |                |             |             |                             |
| Land Improvements                                                           | 56,916,237        |                |             |             | 56,916,237                  |
| Building & Building Improvements                                            | 1,080,725,267     | 7,951,347      |             | 5,227,863   | 1,093,904,477               |
| Furniture & Equipment                                                       | 150,902,939       | 4,774,866      | (609,638)   | 177,115     | 155,245,282                 |
| Right to Use - Building                                                     | 811,826           |                |             |             | 811,826                     |
| SBITA                                                                       | 14,427,500        | 2,231,635      |             |             | 16,659,135                  |
| Right to Use - Equipment                                                    | 3,636,975         | 5,001,199      | (3,636,975) |             | 5,001,199                   |
| Total Depreciable/Amortized Assets                                          | 1,307,420,744     | 19,959,047     | (4,246,613) | 5,404,978   | 1,328,538,156               |
| <b>Less Accumulated Depreciation/Amortization for:</b>                      |                   |                |             |             |                             |
| Land Improvements                                                           | 36,441,050        | 2,076,204      |             |             | 38,517,254                  |
| Building & Building Improvements                                            | 409,158,950       | 24,800,463     |             |             | 433,959,413                 |
| Furniture & Equipment                                                       | 123,532,700       | 7,627,348      | (609,638)   |             | 130,550,410                 |
| Right to Use - Building                                                     | 248,511           | 248,512        |             |             | 497,023                     |
| SBITA                                                                       | 2,964,992         | 458,623        |             |             | 3,423,615                   |
| Right to Use - Equipment                                                    | 3,636,975         | 425,917        | (3,636,975) |             | 425,917                     |
| Total Accumulated Depreciation/Amortization                                 | 575,983,178       | 35,637,067     | (4,246,613) | -           | 607,373,632                 |
| Governmental Activities-Capital Assets,<br>being depreciated/amortized, net | 731,437,566       | (15,678,020)   | -           | 5,404,978   | 721,164,524                 |
| Governmental Activities-Capital Assets, Net                                 | \$ 791,106,806    | \$ (9,339,742) | \$ -        | -           | \$ 781,767,064              |

Total Governmental Activities - Capital Assets include cost of assets held in internal service funds and related accumulated depreciation/amortization amounting to \$10,231,789 and \$3,821,568 respectively.

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

|                                                               |                      |
|---------------------------------------------------------------|----------------------|
| 11 Instruction                                                | \$ 9,939,903         |
| 12 Instructional Resources and Media Services                 | 417,231              |
| 13 Curriculum Development and Instructional Staff Development | 49,673               |
| 21 Instructional Leadership                                   | 135,887              |
| 23 School Leadership                                          | 233,414              |
| 31 Guidance, Counseling and Evaluation Services               | 86,945               |
| 33 Health Services                                            | 94,109               |
| 34 Student (Pupil) Transportation                             | 3,000,989            |
| 35 Food Services                                              | 1,448,939            |
| 36 Cocurricular/Extracurricular Activities                    | 2,289,956            |
| 41 General Administration                                     | 448,193              |
| 51 Plant Maintenance and Operations                           | 12,692,378           |
| 52 Security and Monitoring Services                           | 50,406               |
| 53 Data Processing Services                                   | 3,213,889            |
| 61 Community Services                                         | 884,413              |
| Internal Service Fund Depreciation/Amortization               | 650,742              |
|                                                               | <u>\$ 35,637,067</u> |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 4. Capital Assets – continued

As of June 30, 2023, the District had the following major commitments with respect to unfinished major capital projects.

|                                               | Project<br>Authorization | Remaining<br>Commitment |
|-----------------------------------------------|--------------------------|-------------------------|
| High School Baseball/Softball Renovations     | \$ 35,000,000            | \$ 34,899,200           |
| Fieldhouse and Multi-Program Activity Centers | 240,455,058              | 240,455,058             |
| Elementary Replacement School #1              | 62,359,682               | 62,359,682              |
| Elementary Replacement School #2              | 62,359,682               | 62,359,682              |
| Lakeview Centennial High School Renovation    | 48,753,114               | 48,753,114              |
| Naaman Forest High School Renovation          | 24,062,141               | 24,062,141              |
| Perimeter Fence Elementary Schools -Phase 1   | 11,571,359               | 11,571,359              |
| Elementary Portable Removal                   | 7,738,194                | 7,738,194               |
| Elementary Playgrounds - Phase 1              | 6,750,000                | 6,750,000               |
| All Security Film                             | 3,078,898                | 3,078,898               |
| Fine Arts Trailers                            | 2,695,934                | 1,341,265               |
| Athletic Fields and Scoreboard                | 11,636,807               | 8,401,346               |
| District Flooring                             | 3,616,169                | 311,997                 |
| District Roofing                              | 13,206,779               | 344,816                 |
| Total                                         | <u>\$ 533,283,817</u>    | <u>\$ 512,426,752</u>   |

Note 5. Unearned Revenue

Governmental and internal service funds unearned revenue at June 30, 2023 consisted of the following:

|                    | General<br>Fund  | Special<br>Revenue<br>Fund | Internal<br>Service<br>Fund | Total               |
|--------------------|------------------|----------------------------|-----------------------------|---------------------|
| Food Service Meals | \$ -             | \$ 209,404                 | \$ -                        | \$ 209,404          |
| Grants             |                  | 139,604                    |                             | 139,604             |
| Event Tickets      |                  |                            | 652,879                     | 652,879             |
| Other              | 21,494           |                            |                             | 21,494              |
|                    | <u>\$ 21,494</u> | <u>\$ 349,008</u>          | <u>\$ 652,879</u>           | <u>\$ 1,023,381</u> |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

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, 2023:

|                                     | July 1, 2022<br>Obligations<br>as restated | New<br>Obligations<br>Incurred | Obligations<br>Retired or<br>Transferred | June 30, 2023<br>Obligations | Due Within<br>One Year |
|-------------------------------------|--------------------------------------------|--------------------------------|------------------------------------------|------------------------------|------------------------|
| <b>Governmental Activities:</b>     |                                            |                                |                                          |                              |                        |
| Bonds and Notes Payable:            |                                            |                                |                                          |                              |                        |
| General obligation bonds            | \$ 424,040,000                             | \$ -                           | \$ 78,470,000                            | \$ 345,570,000               | \$ 50,160,000          |
| Premium on bond issuance            | 44,516,316                                 | -                              | 9,629,868                                | 34,886,448                   |                        |
| Notes Payable                       | <u>5,593,284</u>                           | <u>-</u>                       | <u>411,150</u>                           | <u>5,182,134</u>             | <u>330,838</u>         |
| Total Bonds and Notes Payable       | <u>474,149,600</u>                         | <u>-</u>                       | <u>88,511,018</u>                        | <u>385,638,582</u>           | <u>50,490,838</u>      |
| Other Liabilities:                  |                                            |                                |                                          |                              |                        |
| Net Pension Liability               | 80,131,846                                 | 124,416,426                    | 14,905,938                               | 189,642,334                  |                        |
| Net OPEB Liability                  | 158,355,733                                | (59,153,347)                   | 3,207,090                                | 95,995,296                   |                        |
| Workers Compensation                |                                            |                                |                                          |                              |                        |
| Self-Insurance Liability            | 3,334,337                                  | 2,946,527                      | 2,498,970                                | 3,781,894                    | 2,540,914              |
| Right to Use Lease Liability        | 635,978                                    | 5,001,199                      | 754,697                                  | 4,882,480                    | 1,096,681              |
| Right to Use Subscription Liability | 14,427,500                                 | 2,231,635                      | 3,265,981                                | 13,393,154                   | 2,808,279              |
| Vested Sick Leave                   | <u>996,861</u>                             | <u>648,601</u>                 | <u>566,373</u>                           | <u>1,079,089</u>             | <u>74,310</u>          |
| Total Other Liabilities             | <u>257,882,255</u>                         | <u>76,091,041</u>              | <u>25,199,049</u>                        | <u>308,774,247</u>           | <u>6,520,184</u>       |
| Total Governmental Activities       |                                            |                                |                                          |                              |                        |
| Long-term Liabilities               | <u>\$ 732,031,855</u>                      | <u>\$ 76,091,041</u>           | <u>\$ 113,710,067</u>                    | <u>\$ 694,412,829</u>        | <u>\$ 57,011,022</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, 2023

Note 6. Long-Term Obligations – continued

Bonds payable and contractual obligations at June 30, 2023 are composed of the following individual issues:

| Description                          | Interest<br>Rate | Amounts<br>Original<br>Issue | Amounts<br>Outstanding at<br>7/1/2022, restated | Retired/<br>Refunded | Amounts<br>Outstanding at<br>June 30, 2023 |
|--------------------------------------|------------------|------------------------------|-------------------------------------------------|----------------------|--------------------------------------------|
| Qualified School Construction        |                  |                              |                                                 |                      |                                            |
| Bonds - 2009B                        |                  |                              |                                                 |                      |                                            |
| Matures 2019 - 2024                  | 0.0%             | \$ 10,185,000                | \$ 10,135,000                                   | \$ -                 | \$ 10,135,000                              |
| 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                   | 5,865,000                                       | 2,270,000            | 3,595,000                                  |
| Unlimited Tax Building and Refunding |                  |                              |                                                 |                      |                                            |
| Series - 2015A                       |                  |                              |                                                 |                      |                                            |
| Matures 2016 - 2035                  | 2.0% to 5.0%     | 185,740,000                  | 146,935,000                                     | 7,745,000            | 139,190,000                                |
| Unlimited Tax Refunding              |                  |                              |                                                 |                      |                                            |
| Bonds - 2016                         |                  |                              |                                                 |                      |                                            |
| Matures 2020 - 2031                  | 2.5% to 5.0%     | 40,560,000                   | 30,465,000                                      | 2,830,000            | 27,635,000                                 |
| Unlimited Tax School Building        |                  |                              |                                                 |                      |                                            |
| Bonds - 2016                         |                  |                              |                                                 |                      |                                            |
| Matures 2017 - 2036                  | 2.0% to 5.0%     | 150,250,000                  | 105,740,000                                     | 43,705,000           | 62,035,000                                 |
| Unlimited Tax School Building        |                  |                              |                                                 |                      |                                            |
| Bonds - 2018                         |                  |                              |                                                 |                      |                                            |
| Matures 2019 - 2038                  | 5.0%             | 78,565,000                   | 62,040,000                                      | 2,595,000            | 59,445,000                                 |
| Unlimited Tax Refunding              |                  |                              |                                                 |                      |                                            |
| Bonds - 2019                         |                  |                              |                                                 |                      |                                            |
| Matures 2020 - 2029                  | 3.0% to 5.0%     | 14,525,000                   | 1,565,000                                       | 120,000              | 1,445,000                                  |
| Unlimited Tax Refunding              |                  |                              |                                                 |                      |                                            |
| Bonds - 2019A                        |                  |                              |                                                 |                      |                                            |
| Matures 2020 - 2024                  | 5.0%             | 28,420,000                   | 12,080,000                                      | 8,495,000            | 3,585,000                                  |
| Unlimited Tax Refunding              |                  |                              |                                                 |                      |                                            |
| Bonds - 2020                         |                  |                              |                                                 |                      |                                            |
| Matures 2021 - 2028                  | 5.0%             | <u>47,830,000</u>            | <u>36,730,000</u>                               | <u>10,710,000</u>    | <u>26,020,000</u>                          |
| Total                                |                  | <u>\$ 595,285,000</u>        | <u>\$ 424,040,000</u>                           | <u>\$ 78,470,000</u> | <u>\$ 345,570,000</u>                      |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

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, 2023, \$92,689,153 was available in the Debt Service Fund to service these bonds. Arbitrage rebates are paid from interest earnings of the Capital Projects Fund. Sick leave is paid from the General Fund.

In 2023, the District defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all debt service as of the call dates. Of the bonds defeased, \$38,260,000 remains outstanding as of June 30, 2023. The amount of interest recorded on the defeasance was \$1,731,643. The defeasance is composed of the following:

| Refunded<br>Bond Series                          | Redemption<br>Date | Principal<br>in Escrow |
|--------------------------------------------------|--------------------|------------------------|
| Unlimited Tax<br>School Building<br>Bonds - 2016 | 2/15/2025          | \$ 38,260,000          |
| Total Outstanding                                |                    | \$ 38,260,000          |

The annual requirements to pay principal and interest on the bond obligations outstanding as of June 30, 2023 are as follows:

| Year Ending<br>June 30 | Principal      | Interest      | Requirements   |
|------------------------|----------------|---------------|----------------|
| 2024                   | \$ 50,160,000  | \$ 15,105,107 | \$ 65,265,107  |
| 2025                   | 28,345,000     | 13,167,811    | 41,512,811     |
| 2026                   | 28,490,000     | 11,752,261    | 40,242,261     |
| 2027                   | 29,770,000     | 10,329,261    | 40,099,261     |
| 2028                   | 27,840,000     | 8,926,861     | 36,766,861     |
| 2029 - 2033            | 130,215,000    | 26,762,358    | 156,977,358    |
| 2034 - 2038            | 50,750,000     | 5,398,475     | 56,148,475     |
|                        | \$ 345,570,000 | \$ 91,442,134 | \$ 437,012,134 |

The District makes annual sinking fund deposits into a restricted cash account for the QSCB, Series 2009B and 2012, respectively. These annual deposits plus the interest earned on the reserve accounts will be used to pay off the debt upon maturity in 2024 and 2031.

As of June 30, 2023, the District has issued all general obligation bonds from the November 2014 voter authorization. The District has \$1,239,645,000 authorized but unissued bond from the May 2023 voter authorization.

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 6. Long-Term Obligations – continued

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 12 years remaining on the loan.

| Year Ending<br>June 30 | Principal           | Interest          | Requirements        |
|------------------------|---------------------|-------------------|---------------------|
| 2024                   | \$ 330,838          | \$ 52,666         | \$ 383,504          |
| 2025                   | 419,414             | 48,513            | 467,927             |
| 2026                   | 423,608             | 44,319            | 467,927             |
| 2027                   | 427,845             | 40,083            | 467,928             |
| 2028                   | 432,123             | 35,804            | 467,927             |
| 2029-2033              | 2,226,304           | 113,332           | 2,339,636           |
| 2034-2035              | 922,002             | 13,853            | 935,855             |
|                        | <u>\$ 5,182,134</u> | <u>\$ 348,570</u> | <u>\$ 5,530,704</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, 2023

Note 7. Compensated Absences

Employees of the District are granted vacation and sick leave annually. Vacation must be taken within the fiscal year; thus, the District has no liability for unused vacation pay. Sick leave days are accumulated from year to year. However, only qualified employees are paid for sick leave days not taken upon retirement. Qualified employees (employees with ten or more years of service in the District who retire or take disability retirement and who have unused accumulated local sick leave or state sick or personal leave accrued prior to the 1995-96) shall be paid for up to 20 days of leave at the daily rate at the time of retirement. The liability for compensated absences related to qualified employees is approximately \$1,079,089. Of this amount, \$74,310 is recorded in the General Fund in accrued wages for the amount due to retired employees as of June 30, 2023.

Note 8. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2023 arose in the normal course of operations and consisted of the following individual fund receivable and payable balances:

|                              |                              |                      |
|------------------------------|------------------------------|----------------------|
| TO<br>General Fund           | FROM<br>Special Revenue Fund | \$ 24,077,492        |
| Total Due From Other Funds   |                              | <u>\$ 24,077,492</u> |
| FROM<br>Special Revenue Fund | TO<br>General Fund           | \$ 24,077,492        |
| Total Due To Other Funds     |                              | <u>\$ 24,077,492</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, 2023 were as follows:

|               | Transfers In        |                          |               |
|---------------|---------------------|--------------------------|---------------|
| Transfers Out | Capital<br>Projects | Internal Service<br>Fund | Total         |
| General Fund  | \$ 18,450,539       | \$ 380,000               | \$ 18,830,539 |
|               | \$ 18,450,539       | \$ 380,000               | \$ 18,830,539 |

In the fund financial statements, \$18,830,539 was transferred out of the General Fund. Of that total \$18,450,539 was transferred into to Capital Projects Fund for video scoreboards at Williams and HBJ Stadium., Turf, Track, and Scoreboard projects at selected high school campuses, the remaining portion of the Hudson MS Sanitary Line Replacement Phase I & II, the remaining construction of the Park Crest Elementary School Garden Project, HVAC Capital Improvements, HVAC Controls Upgrade and eight Fine Arts Semi-Trailers and Cabs. \$380,000 was transferred out to the Curtis Culwell Center Internal Service Fund to make improvements to the digital signage.



GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 9. Local Revenues - Governmental Funds

Local revenues are comprised of the following:

|                           | General<br>Fund       | Debt<br>Service<br>Fund | Capital<br>Projects | Special<br>Revenue<br>Fund | Total                 |
|---------------------------|-----------------------|-------------------------|---------------------|----------------------------|-----------------------|
| Taxes, penalty & interest | \$ 236,424,171        | \$ 87,925,383           | \$ -                | \$ -                       | \$ 324,349,554        |
| Investment eaming         | 13,155,709            | 2,213,619               | 331,439             |                            | 15,700,767            |
| Other intermediate        | 428,000               |                         |                     | 3,862,625                  | 4,290,625             |
| Tuition and Fees          | 92,877                |                         |                     | 65,482                     | 158,359               |
| Rental                    | 412,627               |                         |                     |                            | 412,627               |
| Insurance Recovery        | 1,144,775             |                         |                     |                            | 1,144,775             |
| Sponsorships              | 100,000               |                         |                     |                            | 100,000               |
| Gifts                     |                       |                         |                     | 323,868                    | 323,868               |
| Other                     | 247,197               |                         |                     | 935,564                    | 1,182,761             |
| Food service              |                       |                         |                     | 4,968,582                  | 4,968,582             |
| Athletics                 | 900,260               |                         |                     |                            | 900,260               |
| Total                     | <u>\$ 252,905,616</u> | <u>\$ 90,139,002</u>    | <u>\$ 331,439</u>   | <u>\$ 10,156,121</u>       | <u>\$ 353,532,178</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, 2023, 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, 2023, 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 77<sup>th</sup> 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, 2023

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, 2023, was \$3,781,894 and is recorded as an accrued expenditure in the Risk Management Internal Service Fund.

In fiscal years 2023 and 2022, changes in workers' compensation claims liability amounts were:

| <u>Internal Service Fund</u> | <u>Beginning of<br/>Fiscal Year<br/>Liability</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claim<br/>Payments</u> | <u>Balance at<br/>Fiscal Year End</u> |
|------------------------------|---------------------------------------------------|-----------------------------------------------------------------|---------------------------|---------------------------------------|
| 2022 - Risk Management       | \$ 2,722,045                                      | \$ 1,706,199                                                    | \$ 1,093,907              | \$ 3,334,337                          |
| 2023- Risk Management        | \$ 3,334,337                                      | \$ 2,946,527                                                    | \$ 2,498,970              | \$ 3,781,894                          |

At June 30, 2023, the District held \$7,294,316 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, 2023

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-2022.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, 2023

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 2022 and 2023.

|          | <b>Contribution Rates</b> |                    |
|----------|---------------------------|--------------------|
|          | <b>Plan Fiscal Year</b>   |                    |
|          | <u><b>2022</b></u>        | <u><b>2023</b></u> |
| Member   | 8.0%                      | 8.0%               |
| Employer | 7.75%                     | 8.0%               |
| District | 7.75%                     | 8.0%               |

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).

|                                          | <b>For the Fiscal<br/>Year Ended<br/>June 30, 2023</b> |
|------------------------------------------|--------------------------------------------------------|
|                                          | <u><b>TRS<br/>Contributions</b></u>                    |
| Member (Employee)                        | \$ 32,621,173                                          |
| Non-employer contributing agency (State) | 21,555,047                                             |
| District                                 | 16,602,650                                             |

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, 2023

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, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022. 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, 2021. The actuarial methods and assumption were primarily based on a study of actual experience for the three-year period ending August 31, 2021 and were adopted in July 2021.

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

|                                                             |                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date                                              | August 31, 2021, rolled forward to August 31, 2022                                                                                                                                                                                                |
| Actuarial Cost Method                                       | Individual Entry Age Normal                                                                                                                                                                                                                       |
| Asset Valuation Method                                      | Fair Value                                                                                                                                                                                                                                        |
| Single Discount Rate                                        | 7.00%                                                                                                                                                                                                                                             |
| Long-term Expected Rate                                     | 7.00%                                                                                                                                                                                                                                             |
| Municipal Bond Rate as of August 2020                       | 3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" |
| Last year ending August 31 in Projection Period (100 years) | 2121                                                                                                                                                                                                                                              |
| Inflation                                                   | 2.30%                                                                                                                                                                                                                                             |
| Salary Increases                                            | 2.95% to 8.95% 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, 2021.

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 11. Retirement Plan - continued

Discount Rate

A single discount rate of 7.0 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 7.0 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 7.0 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, 2022 are summarized below:

| Asset Class <sup>1</sup>                                 | Target Allocation <sup>2</sup> | Long-Term Expected Geometric Real Rate of Return <sup>3</sup> | Expected Contribution to Long-Term Portfolio Returns |
|----------------------------------------------------------|--------------------------------|---------------------------------------------------------------|------------------------------------------------------|
| <b>Global Equity</b>                                     |                                |                                                               |                                                      |
| U.S.                                                     | 18.00%                         | 4.60%                                                         | 1.12%                                                |
| Non-U.S. Developed                                       | 13.00%                         | 4.90%                                                         | 0.90%                                                |
| Emerging Markets                                         | 9.00%                          | 5.40%                                                         | 0.75%                                                |
| Private Equity                                           | 14.00%                         | 7.70%                                                         | 1.55%                                                |
| <b>Stable Value</b>                                      |                                |                                                               |                                                      |
| Government Bonds                                         | 16.00%                         | 1.00%                                                         | 0.22%                                                |
| Absolute Return (Including Credit Sensitive Investments) | 0.00%                          | 3.70%                                                         | 0.00%                                                |
| Stable Value Hedge Funds                                 |                                |                                                               | 0.18%                                                |
| <b>Real Return</b>                                       |                                |                                                               |                                                      |
| Real Estate                                              | 15.00%                         | 4.10%                                                         | 0.94%                                                |
| Energy, Natural Resources, and Infrastructure            | 6.00%                          | 5.10%                                                         | 0.37%                                                |
| Commodities                                              | 0.00%                          | 3.60%                                                         | 0.00%                                                |
| <b>Risk Parity</b>                                       |                                |                                                               |                                                      |
| Risk Parity                                              | 8.00%                          | 4.60%                                                         | 0.43%                                                |
| <b>Asset Allocation Leverage</b>                         |                                |                                                               |                                                      |
| Cash                                                     | 2.00%                          | 3.00%                                                         | 0.01%                                                |
| Asset Allocation Leverage                                | -6.00%                         | 3.60%                                                         | -0.05%                                               |
| Inflation Expectation                                    |                                |                                                               | 2.70%                                                |
| Volatility Drag <sup>4</sup>                             |                                |                                                               | -0.91%                                               |
| <b>Total</b>                                             | 100.00%                        |                                                               | 8.21%                                                |

<sup>1</sup> Absolute Return includes Credit Sensitive Investments.

<sup>2</sup> Target allocations are based on the fiscal year 2022 policy model.

<sup>3</sup> Capital Market Assumptions come from Aon Hewitt as of August 31, 2022.

<sup>4</sup> 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, 2023

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 (7.00%) in measuring the Net Pension Liability.

|                                                               | Discount Rate  |                |                |
|---------------------------------------------------------------|----------------|----------------|----------------|
|                                                               | 1% Decrease    | Current        | 1% Increase    |
|                                                               | (6.00%)        | Rate (7.00%)   | (8.00%)        |
| District's Proportional share<br>of the net pension liability | \$ 295,011,567 | \$ 189,642,334 | \$ 104,235,624 |

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

At June 30, 2023, the District reported a liability of \$189,642,334 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                                    | 0.3194%               |
| District's proportionate share of the net pension liability                           | \$ 189,642,334        |
| State's proportionate share of the net pension liability associated with the District | 248,416,464           |
| <b>Total</b>                                                                          | <b>\$ 438,058,798</b> |

The Net Pension Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 through August 31, 2022.

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.3194% which was a increase from its proportion measured as of August 31, 2021 of 0.3147%.

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, 2023

Note 11. Retirement Plan - continued

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$21,236,497. The District also recognized on behalf pension expense and revenue of \$23,745,798 representing pension expense incurred by the State on behalf of the District.

At June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                               | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                            | \$ 2,749,799                                  | \$ (4,134,562)                               |
| Changes of assumption                                                                                         | 35,336,539                                    | (8,806,852)                                  |
| Net difference between projected and actual earnings on pension plan investments                              | 18,736,056                                    | -                                            |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 6,622,532                                     | (8,461,689)                                  |
| District contributions subsequent to the measurement date                                                     | 14,096,340                                    | -                                            |
| Total                                                                                                         | \$ 77,541,266                                 | \$ (21,403,103)                              |

The \$14,096,340 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, 2024. 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:

| <b>Year ending<br/>June 30,</b> | <b>Amount</b> |
|---------------------------------|---------------|
| 2024                            | \$ 10,988,788 |
| 2025                            | 5,372,684     |
| 2026                            | 329,377       |
| 2027                            | 21,972,330    |
| 2028                            | 3,378,642     |
|                                 | \$ 42,041,821 |

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-2022.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, 2023

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.

| <b>TRS-Care Monthly for Retirees</b>            |                 |    |                     |
|-------------------------------------------------|-----------------|----|---------------------|
| <b>Effective January 1, 2022 - Dec 31, 2022</b> |                 |    |                     |
|                                                 | <b>Medicare</b> |    | <b>Non-Medicare</b> |
| Retiree or surviving spouse                     | \$ 135          | \$ | 200                 |
| Retiree and Spouse                              | 529             |    | 689                 |
| Retiree or surviving spouse<br>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, 2023

Note 12. Retiree Health Plan - continued

|                                               | <b>Contribution Rates</b> |             |
|-----------------------------------------------|---------------------------|-------------|
|                                               | <b>2023</b>               | <b>2022</b> |
| 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%       |
|                                               | <b>Fiscal Year</b>        |             |
|                                               | <b>(2023)</b>             |             |
|                                               | <b>Contributions</b>      |             |
| Member (Employee)                             | \$ 2,650,447              |             |
| Non-Employer Contributing Agency (State)      | 6,791,561                 |             |
| District                                      | 3,530,292                 |             |

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, 2021. Update procedures were used to roll forward the total OPEB liability to August 31, 2022.

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, 2023

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, 2022 TRS pension actuarial valuation:

|                                        |                                                                                                                                                                                                                                                                      |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rates of Mortality                     | General Inflation                                                                                                                                                                                                                                                    |
| Rates of Retirement                    | Wage Inflation                                                                                                                                                                                                                                                       |
| Rates of Termination                   | Salary Increases                                                                                                                                                                                                                                                     |
| Rates of Disability                    |                                                                                                                                                                                                                                                                      |
| Valuation Date                         | August 31, 2021, rolled forward to August 31, 2022                                                                                                                                                                                                                   |
| Actuarial Cost Method                  | Individual Entry Age Normal                                                                                                                                                                                                                                          |
| Inflation                              | 2.30%                                                                                                                                                                                                                                                                |
| Single Discount Rate                   | 3.91% as of August 31, 2022                                                                                                                                                                                                                                          |
| 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 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. The initial prescription drug trend was 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years. |
| Election Rates                         | Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65.<br>Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.                                                                         |
| Ad hoc post-employment benefit changes | None                                                                                                                                                                                                                                                                 |

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96 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<br>(2.91%) | Current Rate<br>(3.91%) | 1% Increase<br>(4.91%) |
| District’s Proportional share of the Net OPEB Liability: | \$ 113,186,067         | \$ 95,995,296           | \$ 82,068,566          |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

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:

|                                                           | <b>Healthcare Cost Trend Rate</b> |                |                    |
|-----------------------------------------------------------|-----------------------------------|----------------|--------------------|
|                                                           | <b>1% Decrease</b>                | <b>Current</b> | <b>1% Increase</b> |
| District's proportionate share of the Net OPEB Liability: | \$ 79,100,556                     | \$ 95,995,296  | \$ 117,897,152     |

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

At June 30, 2023, the District reported a liability of \$95,995,296 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                                    | 0.4009%                      |
| District's Proportionate share of the Net OPEB Liability                           | \$ 95,995,296                |
| State's Proportionate share of the Net OPEB Liability associated with the District | <u>117,099,180</u>           |
| Total                                                                              | <u><u>\$ 213,094,476</u></u> |

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 through August 31, 2022.

At August 31, 2022 the employer’s proportion of the collective Net OPEB Liability was 0.4009% compared to 0.4105% as of August 31, 2021.

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 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. This change increased the Total OPEB Liability (TOL).

For the year ended June 30, 2023, the District recognized negative OPEB expense of \$13,521,405. The District also recognized negative on-behalf expense and revenue of \$16,617,319 for support provided by the State.

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 12. Retiree Health Plan - continued

At June 30, 2023, 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:

|                                                                                                               | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual actuarial experience                                                  | \$ 5,336,999                                  | \$ (79,972,698)                              |
| Changes in assumptions                                                                                        | 14,621,985                                    | (66,691,821)                                 |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 285,944                                       | -                                            |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 4,835,849                                     | (14,621,990)                                 |
| District contributions subsequent to the measurement date                                                     | 2,971,428                                     | -                                            |
| Total                                                                                                         | \$ 28,052,205                                 | \$ (161,286,509)                             |

The \$2,971,428 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, 2024.

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:

| <b>Year Ending<br/>June 30</b> | <b>Amount</b>    |
|--------------------------------|------------------|
| 2024                           | \$ (24,457,245)  |
| 2025                           | (24,456,208)     |
| 2026                           | (20,385,378)     |
| 2027                           | (14,874,194)     |
| 2028                           | (17,736,147)     |
| Thereafter                     | (34,296,560)     |
|                                | \$ (136,205,732) |

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known 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, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on behalf of the District are as follows:

| <b>Fiscal<br/>Year</b> | <b>Medicare<br/>Part D</b> |
|------------------------|----------------------------|
| 2023                   | \$ 2,200,963               |
| 2022                   | 1,563,074                  |
| 2021                   | 1,710,317                  |

The information for the fiscal year ended June 30, 2023 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, 2023

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, 2023 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 fiscal year 2022, 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, 2023, the warehouse lease has one year remaining 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 2022. As of June 30, 2023, the value of the lease liability was \$162,533. 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 \$160,123 and had accumulated amortization of \$320,247.

As of June 30, 2023, the clinic lease has two 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 2022. As of June 30, 2023, the value of the lease liability was \$156,600. 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 \$154,679 and had accumulated amortization of \$176,776.

In August 2016, the District entered into a capital lease agreement for copier equipment with Ricoh. 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. During 2023, this lease ended, and there is no lease liability for Ricoh. During 2023, the District entered into capital lease agreements with Xerox for copier equipment. The initial agreement expires in 2025 with three annual extensions for the copier lease for campuses and departments. The agreement for the print shop copiers is separate and ends in 2027. An initial lease liability was recorded in the amount of \$5,001,199 during 2023. The District is required to make monthly principal and interest payments of \$81,070. The lease has an interest rate of 3.0%. The value of the right-to-use asset as of the end of the current fiscal year was \$4,575,282 and had accumulated amortization of \$425,917.

The future principal and interest lease payments as of June 30, 2023, were as follows:

| Year Ending June 30 | Principal           | Interest          | Total               |
|---------------------|---------------------|-------------------|---------------------|
| 2024                | \$ 1,096,681        | \$ 128,702        | \$ 1,225,383        |
| 2025                | 934,872             | 100,147           | 1,035,019           |
| 2026                | 874,076             | 73,415            | 947,491             |
| 2027                | 857,554             | 47,419            | 904,973             |
| 2028                | 750,849             | 22,818            | 773,667             |
| 2029                | 368,448             | 3,295             | 371,743             |
| Total               | <u>\$ 4,882,480</u> | <u>\$ 375,796</u> | <u>\$ 5,258,276</u> |

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 15. SBITA Liabilities

During the current fiscal year, the District entered into a ten-year SBITA agreement with Renaissance Learning for educational software. An initial SBITA liability was recorded in the amount of \$12,038,029 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$10,815,434. The District is required to make an annual principal and interest payment of \$1,536,506. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$10,687,970. and had accumulated amortization of \$1,350,059.

During the current fiscal year, the District entered into a one-year SBITA agreement with Amira Houghton Mifflin for educational software. An initial SBITA liability was recorded in the amount of \$119,216 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$69,802. The District is required to make an annual principal and interest payment of \$120,860. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$69,543 and had accumulated amortization of \$49,673.

During the current fiscal year, the District entered into a two-year SBITA agreement with Amplify Education for educational software. An initial SBITA liability was recorded in the amount of \$907,121 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$494,524. The District is required to make a one time principal and interest payment of \$935,715. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$488,450. and had accumulated amortization of \$418,671.

During the current fiscal year, the District had a one-year SBITA agreement with Skyward Incorporated for educational software. An initial SBITA liability was recorded in the amount of \$452,373 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$65,433. The District is required to make an annual principal and interest payment of \$459,752. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$64,625 and had accumulated amortization of \$387,749.

During the current fiscal year, the District had a one-year SBITA agreement with Oracle America financial software. An initial SBITA liability was recorded in the amount of \$200,100 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$50,650. The District is required to make an annual principal and interest payment of \$152,902. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$50,025 and had accumulated amortization of \$150,075.

During the current fiscal year, the District had a one-year SBITA agreement with Nearpod Inc for educational software. An initial SBITA liability was recorded in the amount of \$262,889 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$32,466. The District was required to make an annual principal and interest payment averaging \$229,009. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$37,556 and had accumulated amortization of \$225,334.

During the current fiscal year, the District had a two-year SBITA agreement with Frontline Technologies eStar for educational software. An initial SBITA liability was recorded in the amount of \$329,464 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$180,727. The District was required to make an annual principal and interest payment averaging \$156,853. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$177,403 and had accumulated amortization of \$152,060.

During the current fiscal year, the District had a two-year SBITA agreement with Frontline Technologies Service Pack for educational software. An initial SBITA liability was recorded in the amount of \$882,891 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$485,075. The District was required to make an annual principal and interest payment averaging \$420,333.

GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 15. SBITA Liabilities - continued

The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$475,403 and had accumulated amortization of \$407,488.

During the current fiscal year, the District had a two-year SBITA agreement with Panorama Education Inc for educational software. An initial SBITA liability was recorded in the amount of \$42,578 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$15,882. The District was required to make an annual principal and interest payment of \$27,500. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$15,687 and had accumulated amortization of \$26,891.

During the current fiscal year, the District entered into a five-year SBITA agreement with CDW Google Workspace for educational software. An initial SBITA liability was recorded in the amount of \$853,610 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$758,588. The District was required to make an annual principal and interest payment of \$183,600. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$754,022 and had accumulated amortization of \$99,588.

During the current fiscal year, the District entered into a five-year SBITA agreement with Cities Digital for educational software. An initial SBITA liability was recorded in the amount of \$351,688 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$298,935. The District was required to make an annual principal and interest payment averaging \$75,643. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$293,074 and had accumulated amortization of \$58,615.

During the current fiscal year, the District had a two-year SBITA agreement with RaaWee Inc for educational software. An initial SBITA liability was recorded in the amount of \$219,175 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$128,255. The District was required to make \$100,606. The SBITA has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$121,764 and had accumulated amortization of \$97,411.

The future principal and interest SBITA payments as of June 30, 2023, were as follows:

| Year Ending June 30 | Principal            | Interest            | Total                |
|---------------------|----------------------|---------------------|----------------------|
| 2024                | \$ 2,808,279         | \$ 361,270          | \$ 3,169,549         |
| 2025                | 1,701,570            | 292,447             | 1,994,016            |
| 2026                | 1,550,231            | 245,978             | 1,796,209            |
| 2027                | 1,597,383            | 198,827             | 1,796,209            |
| 2028                | 1,473,888            | 151,802             | 1,625,690            |
| 2029                | 1,427,451            | 109,055             | 1,536,506            |
| 2030                | 1,470,868            | 65,638              | 1,536,506            |
| 2031                | 1,363,484            | 20,900              | 1,384,384            |
| Total               | <u>\$ 13,393,154</u> | <u>\$ 1,445,917</u> | <u>\$ 14,839,071</u> |



GARLAND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 16. Deferred Outflows of Resources

For governmental activities, the net investment in capital assets of \$428,738,434 includes the effect of deferring the recognition of losses on bond refunding's. The \$2,369,145 balance of the deferred outflow of resources at June 30, 2023 will be recognized as an expense and will decrease unrestricted net position over the next 8 years.

|                                                       | July 1, 2022<br>Balance | New<br>Obligations<br>Incurred | Obligations<br>Retired or<br>Paid | June 30, 2023<br>Balance |
|-------------------------------------------------------|-------------------------|--------------------------------|-----------------------------------|--------------------------|
| Deferred Outflows of Resources:                       |                         |                                |                                   |                          |
| Deferred Charge on Refunding                          | \$ 3,289,732            | \$ -                           | \$ 920,587                        | \$ 2,369,145             |
| Deferred Outflows of Resources for Pension Activities | 47,930,252              | 43,707,354                     | 14,096,340                        | 77,541,266               |
| Deferred Outflows of Resources for OPEB               | 33,459,861              | (2,436,228)                    | 2,971,428                         | 28,052,205               |
| Total Deferred Outflows<br>of Resources               | <u>\$ 84,679,845</u>    | <u>\$ 41,271,126</u>           | <u>\$ 17,988,355</u>              | <u>\$ 107,962,616</u>    |

Note 17. Prior Period Restatement

The District determined that \$6.76M of payments recorded as principal payments in the Debt Service Fund correctly belong in a restricted cash account. The payments sent to the paying agent will be used to satisfy upcoming principal payments. A restricted cash asset has been recognized along with a increase in Debt Service fund balance.

|                                      |                      |
|--------------------------------------|----------------------|
| Fund Balance as originally presented | \$ 91,495,627        |
| Prior Period Restatement             | <u>\$ 6,760,000</u>  |
| Fund Balance as restated             | <u>\$ 98,255,627</u> |

The District implemented GASB 96 during the 2023 fiscal year. GASB 96 establishes a single model for subscription-based IT arrangement accounting based on the principle that subscriptions are financings of the right to use an subscription. Due to implementation, an adjustment to capital assets and long-term liability were required to recognize a subscription liability and intangible right-to-use subscription assets. The right to use assets did not exist at June 30, 2022.

|                                 | As originally<br>presented | GASB 96<br>Implementation | Restated             |
|---------------------------------|----------------------------|---------------------------|----------------------|
| <u>Capital Assets</u>           |                            |                           |                      |
| SBITA                           | \$ -                       | \$ 14,427,500             | \$ 14,427,500        |
| Accumulated Depreciation -SBITA |                            | (2,964,992)               | (2,964,992)          |
| Total                           | <u>\$ -</u>                | <u>\$ 11,462,508</u>      | <u>\$ 11,462,508</u> |
| <u>Long-term Liabilities</u>    |                            |                           |                      |
| Right to Use SBITA Liability    | \$ -                       | \$ 14,427,500             | \$ 14,427,500        |
| Total                           | <u>\$ -</u>                | <u>\$ 14,427,500</u>      | <u>\$ 14,427,500</u> |

Note 18. Subsequent Events

In August 2023 the District issued \$144,255,000 of Unlimited Tax School Building Bonds, Series 2023.

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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, 2023

Exhibit G-1

|                                                                | <u>Budgeted Amounts</u> |                       | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget |
|----------------------------------------------------------------|-------------------------|-----------------------|--------------------------------|-------------------------------|
|                                                                | ORIGINAL                | FINAL                 |                                |                               |
| <b>REVENUES:</b>                                               |                         |                       |                                |                               |
| 5700 Total Local and Intermediate Sources                      | \$ 230,757,209          | \$ 247,499,173        | \$ 252,905,616                 | \$ 5,406,443                  |
| 5800 State Program Revenues                                    | 261,091,692             | 253,197,393           | 256,354,950                    | 3,157,557                     |
| 5900 Federal Program Revenues                                  | 16,400,000              | 13,000,000            | 13,282,192                     | 282,192                       |
| 5020 Total Revenues                                            | <u>508,248,901</u>      | <u>513,696,566</u>    | <u>522,542,758</u>             | <u>8,846,192</u>              |
| <b>EXPENDITURES:</b>                                           |                         |                       |                                |                               |
| Current:                                                       |                         |                       |                                |                               |
| 0011 Instruction                                               | 328,921,556             | 319,248,678           | 306,231,985                    | 13,016,693                    |
| 0012 Instructional Resources and Media Services                | 8,164,013               | 8,377,593             | 8,181,695                      | 195,898                       |
| 0013 Curriculum and Instructional Staff Development            | 15,044,413              | 15,251,564            | 12,296,927                     | 2,954,637                     |
| 0021 Instructional Leadership                                  | 9,943,401               | 9,798,594             | 8,014,511                      | 1,784,083                     |
| 0023 School Leadership                                         | 34,456,718              | 35,097,275            | 33,356,913                     | 1,740,362                     |
| 0031 Guidance, Counseling, and Evaluation Services             | 27,449,597              | 27,443,986            | 25,484,216                     | 1,959,770                     |
| 0032 Social Work Services                                      | 659,967                 | 546,751               | 508,927                        | 37,824                        |
| 0033 Health Services                                           | 8,765,168               | 8,957,040             | 8,341,368                      | 615,672                       |
| 0034 Student (Pupil) Transportation                            | 19,584,114              | 20,991,755            | 19,887,438                     | 1,104,317                     |
| 0035 Food Services                                             | 352,111                 | 202,111               | 80,523                         | 121,588                       |
| 0036 Cocurricular/Extracurricular Activities                   | 12,672,902              | 13,968,752            | 12,507,979                     | 1,460,773                     |
| 0041 General Administration                                    | 20,877,560              | 21,109,862            | 18,892,634                     | 2,217,228                     |
| 0051 Facilities Maintenance and Operations                     | 49,375,146              | 51,380,380            | 46,811,681                     | 4,568,699                     |
| 0052 Security and Monitoring Services                          | 8,896,894               | 8,790,085             | 7,593,285                      | 1,196,800                     |
| 0053 Data Processing Services                                  | 15,833,006              | 15,896,313            | 15,362,592                     | 533,721                       |
| 0061 Community Services                                        | 1,736,811               | 1,732,781             | 1,669,370                      | 63,411                        |
| 0071 Debt Service - Principal on Long-Term Debt                | 482,517                 | 2,740,902             | 1,954,489                      | 786,413                       |
| 0095 Payments to Juvenile Justice Alternative Ed Program       | 36,000                  | 124,000               | 58,632                         | 65,368                        |
| 0099 Other Intergovernmental Charges                           | 983,947                 | 983,947               | 982,453                        | 1,494                         |
| 6030 Total Expenditures                                        | <u>564,235,841</u>      | <u>562,642,369</u>    | <u>528,217,618</u>             | <u>34,424,751</u>             |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | (55,986,940)            | (48,945,803)          | (5,674,860)                    | (25,578,559)                  |
| <b>OTHER FINANCING SOURCES (USES):</b>                         |                         |                       |                                |                               |
| 7912 Sale of Real and Personal Property                        |                         |                       | 234,922                        | 234,922                       |
| 7948 Other Finance Source - SBITA                              |                         |                       | 1,205,298                      | 1,205,298                     |
| 8911 Transfers Out                                             |                         | (18,830,539)          | (18,830,539)                   | -                             |
| 7080 Total Other Financing Uses                                | -                       | <u>(18,830,539)</u>   | <u>(17,390,319)</u>            | <u>1,440,220</u>              |
| 1200 Net Change in Fund Balances                               | (55,986,940)            | (67,776,342)          | (23,065,179)                   | 44,711,163                    |
| 0100 Fund Balance - July 1 (Beginning)                         | 241,515,368             | 247,822,261           | 285,585,445                    | -                             |
| 3000 Fund Balance - June 30 (Ending)                           | <u>\$ 185,528,428</u>   | <u>\$ 180,045,919</u> | <u>\$ 262,520,266</u>          | <u>\$ 44,711,163</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, 2023

Exhibit G-2

|                                           | <u>Budgeted Amounts</u> |                      | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget |
|-------------------------------------------|-------------------------|----------------------|--------------------------------|-------------------------------|
|                                           | <u>ORIGINAL</u>         | <u>FINAL</u>         |                                |                               |
| <b>REVENUES:</b>                          |                         |                      |                                |                               |
| 5700 Total Local and Intermediate Sources | \$ 7,050,000            | \$ 5,050,000         | \$ 5,712,762                   | \$ 662,762                    |
| 5800 State Program Revenues               | 170,000                 | 170,000              | 157,115                        | (12,885)                      |
| 5900 Federal Program Revenues             | 28,720,226              | 30,720,226           | 30,805,733                     | 85,507                        |
| 5020 Total Revenues                       | <u>35,940,226</u>       | <u>35,940,226</u>    | <u>36,675,610</u>              | <u>735,384</u>                |
| <b>EXPENDITURES:</b>                      |                         |                      |                                |                               |
| Current:                                  |                         |                      |                                |                               |
| 0035 Food Services                        | 36,652,342              | 35,156,842           | 31,545,595                     | 3,611,247                     |
| 6030 Total Expenditures                   | <u>36,652,342</u>       | <u>35,156,842</u>    | <u>31,545,595</u>              | <u>3,611,247</u>              |
| 1200 Net Change in Fund Balances          | <u>(712,116)</u>        | <u>783,384</u>       | <u>5,130,015</u>               | <u>4,346,631</u>              |
| 0100 Fund Balance - July 1 (Beginning)    | <u>3,870,733</u>        | <u>9,710,316</u>     | <u>15,150,395</u>              | <u>5,440,079</u>              |
| 3000 Fund Balance - June 30 (Ending)      | <u>\$ 3,158,617</u>     | <u>\$ 10,493,700</u> | <u>\$ 20,280,410</u>           | <u>\$ 9,786,710</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, 2023

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, 2023

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

- \$1,800,000 increase in local revenue to higher than projected tax collections
- \$9,000,000 increases in interest income.
- \$3,400,000 decrease in SHARS revenue due to change in the programmatic requirements
- \$3,400,000 decrease in state funding due to changes in projected Teacher Incentive Allotment

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

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

- \$2,396,375 transferred out to capital projects to replace video scoreboards at Williams and HBJ Stadium.
- \$8,910,408 transferred out to capital projects to fund Turf, Track, and Scoreboard projects at selected high school campuses.
- \$1,000,000 transferred out to capital projects to fund the remaining portion of the Hudson MS Sanitary Line Replacement Phase I & II.
- \$196,901 transferred out to capital projects to fund the remaining construction of the Park Crest Elementary School Garden Project.
- \$2,695,934 transferred out to capital projects to fund the eight Fine Arts Semi-Trailers and Cabs.
- \$2,497,630 transferred out to capital projects to fund HVAC Capital Improvements Increase and HVAC Controls Upgrade.
- \$380,000 was transferred out to the Curtis Culwell Center Internal Service Fund to make improvements to the digital signage.

After appropriations were amended as described above, actual revenues were \$8,846,192 more than final budgeted amounts due to more revenue from local taxes than final budgeted estimates. Actual expenditures were \$34,424,751 less than final budget amounts primarily due to savings from vacant positions. Actual year-end revenues were less than expenditures, thus creating a deficit to fund balance.

NATIONAL BREAKFAST AND LUNCH PROGRAM

Revenues

- \$2,000,000 decrease in local revenue offset by a \$2,000,000 increase in federal revenue due to increase in anticipated meal participation.

Expenditures

- \$1,500,000 decrease in food services expenditures due savings from the adopted budget.

GARLAND INDEPENDENT SCHOOL DISTRICT  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Stewardship, Compliance, and Accountability – continued

Actual revenues were \$735,384 greater than final budgeted amounts due to more revenue in local sources than final budgeted estimates. Actual expenditures were \$3,611,247 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

- \$11,001,837 increase in local revenue for proposed tax rate and taxable values reporting.
- \$830,000 Increase in state revenue due to funding for debt service revenue loss due to additional homestead exemption
- \$1,000,000 increase in local revenue due to collections coming in higher than the projected 99% collection rate.

Expenditures

- \$40,000,000 increase in function 71 for defeasance of outstanding debt.

After appropriations were amended as described above, actual revenues were \$6,122,365 greater than final budgeted amounts due to more revenue in local and intermediate sources than final budgeted estimates. Actual expenditures were \$2,669,456 less than final budget amounts. The bond principal was less than budgeted due to an anticipated principal payment being a sinking fund payment.



GARLAND INDEPENDENT SCHOOL DISTRICT  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FISCAL YEAR ENDED JUNE 30, 2023

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

Exhibit G-3

|                                                                                                     | 2022                  | 2021                  | 2020                  | 2019                  |
|-----------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net pension liability                                                  | 0.3194%               | 0.3147%               | 0.3043%               | 0.3395%               |
| District's proportionate share of the net pension liability                                         | \$ 189,642,334        | \$ 80,131,846         | \$ 162,986,411        | \$ 176,503,815        |
| State's proportionate share of the net pension liability associated with the District               | 248,416,464           | 122,192,639           | 262,092,489           | 252,140,175           |
| Total                                                                                               | <u>\$ 438,058,798</u> | <u>\$ 202,324,485</u> | <u>\$ 425,078,900</u> | <u>\$ 428,643,990</u> |
| District's covered payroll (for Measurement Year)                                                   | \$ 384,845,741        | \$ 387,363,687        | \$ 377,293,999        | \$ 368,013,193        |
| District's proportionate share of the net pension liability as a percentage of it's covered-payroll | 49.28%                | 20.69%                | 43.20%                | 47.96%                |
| Plan fiduciary net position as a percentage of the total pension liability *                        | 75.65%                | 88.79%                | 75.54%                | 75.24%                |
| Plan's net pension liability as a percentage of covered payroll *                                   | 112.72%               | 51.08%                | 110.36%               | 114.93%               |
|                                                                                                     | <u>2018</u>           | <u>2017</u>           | <u>2016</u>           | <u>2015</u>           |
| District's proportion of the net pension liability                                                  | 0.3392%               | 0.3214%               | 0.3313%               | 0.3352%               |
| District's proportionate share of the net pension liability                                         | \$ 186,722,443        | \$ 102,762,987        | \$ 125,179,074        | \$ 118,501,570        |
| State's proportionate share of the net pension liability associated with the District               | 276,023,160           | 171,872,468           | 204,940,921           | 203,123,426           |
| Total                                                                                               | <u>\$ 462,745,603</u> | <u>\$ 274,635,455</u> | <u>\$ 330,119,995</u> | <u>\$ 321,624,996</u> |
| District's covered payroll (for Measurement Year)                                                   | \$ 358,144,722        | \$ 349,184,036        | \$ 344,899,599        | \$ 335,610,114        |
| District's proportionate share of the net pension liability as a percentage of it's covered-payroll | 52.14%                | 29.43%                | 36.29%                | 35.31%                |
| Plan fiduciary net position as a percentage of the total pension liability *                        | 73.74%                | 82.17%                | 78.00%                | 78.43%                |
| Plan's net pension liability as a percentage of covered payroll *                                   | 52.14%                | 75.93%                | 92.75%                | 91.94%                |

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

|                                                                     | 2023           | 2022           | 2021           | 2020           | 2019*          | 2018           | 2017           | 2016           | 2015           | 2014           |
|---------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contributions                                | \$ 16,602,650  | \$ 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   |
| Contributions in relation to the contractual required contributions | 16,602,650     | 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      |
| Contribution deficiency (excess)                                    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| District's covered payroll                                          | \$ 407,673,204 | \$ 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 |
| Contributions as a percentage of covered payroll                    | 4.07%          | 3.82%          | 3.46%          | 3.28%          | 3.24%          | 3.23%          | 3.10%          | 3.01%          | 2.95%          | 1.70%          |

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**

2023: There was a change in the actuarial assumptions. The primary change was lowering the single discount rate from 7.25% to 7.0%

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, 2023

**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

|                                                                                                  | <u>2022</u>           | <u>2021</u>           | <u>2020</u>           | <u>2019</u>           | <u>2018</u>           |
|--------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net OPEB liability                                                  | 0.40090%              | 0.41052%              | 0.41250%              | 0.43220%              | 0.43300%              |
| District's proportionate share of the net OPEB liability                                         | \$ 95,995,296         | \$ 158,355,733        | \$ 156,820,871        | \$ 204,393,433        | \$ 216,200,422        |
| State's proportionate share of the net OPEB liability associated with the District               | 117,099,180           | 212,161,392           | 210,729,659           | 271,593,152           | 303,753,062           |
| Total                                                                                            | <u>\$ 213,094,476</u> | <u>\$ 370,517,125</u> | <u>\$ 367,550,530</u> | <u>\$ 475,986,585</u> | <u>\$ 519,953,484</u> |
| District's covered payroll (for Measurement Year)                                                | \$ 384,845,741        | \$ 387,363,687        | \$ 377,293,999        | \$ 368,013,193        | \$ 358,144,722        |
| District's proportionate share of the net OPEB liability as a percentage of it's covered payroll | 24.94%                | 40.88%                | 41.56%                | 55.54%                | 60.37%                |
| Plan fiduciary net position as a percentage of the total OPEB liability *                        | 11.52%                | 6.18%                 | 4.99%                 | 2.66%                 | 1.57%                 |
| Plan's net OPEB liability as a percentage of covered payroll *                                   | 59.10%                | 100.13%               | 101.46%               | 135.21%               | 146.64%               |

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

|                                                                     | <u>2023</u>      | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      | <u>2019*</u>     |
|---------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required contributions                                | \$ 3,530,292     | \$ 3,444,489     | \$ 3,194,942     | \$ 3,119,673     | \$ 2,546,976     |
| Contributions in relation to the contractual required contributions | <u>3,530,292</u> | <u>3,444,489</u> | <u>3,194,942</u> | <u>3,119,673</u> | <u>2,546,976</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| District's covered payroll                                          | \$ 407,673,204   | \$ 385,010,955   | \$ 385,003,791   | \$ 376,867,068   | \$ 303,878,167   |
| Contributions as a percentage of covered payroll                    | 0.87%            | 0.89%            | 0.83%            | 0.83%            | 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, 2023

**Changes in Assumptions**

2023: The single discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the Total OPEB Liability. In addition, lower participation rates and updates to healthcare trend rate assumptions were also factors that decreased the Total OPEB Liability.

2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022.

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**

During 2023, there were no changes of benefit terms during the measurement period that affected measurement of the Total OPEB Liability.

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, 2023

|                                                               | 751<br>Motor<br>Pool     | 752<br>Print<br>Shop       | 753<br>Risk<br>Management  |
|---------------------------------------------------------------|--------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                                 |                          |                            |                            |
| Current Assets:                                               |                          |                            |                            |
| Cash and Cash Equivalents                                     | \$ 110,261               | \$ 1,373,307               | \$ 7,294,316               |
| Other Receivables                                             | -                        | 69,282                     | -                          |
| Total Current Assets                                          | <u>110,261</u>           | <u>1,442,589</u>           | <u>7,294,316</u>           |
| Noncurrent Assets:                                            |                          |                            |                            |
| Capital Assets:                                               |                          |                            |                            |
| Land Improvements                                             | -                        | -                          | -                          |
| Building and Building Improvements                            | -                        | -                          | 7,720                      |
| Furniture and Equipment                                       | 418,237                  | 1,677,935                  | 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)                | (1,520,483)                | (113,184)                  |
| Total Noncurrent Assets                                       | <u>-</u>                 | <u>157,452</u>             | <u>-</u>                   |
| Total Assets                                                  | <u><u>110,261</u></u>    | <u><u>1,600,041</u></u>    | <u><u>7,294,316</u></u>    |
| <b>LIABILITIES</b>                                            |                          |                            |                            |
| Current Liabilities:                                          |                          |                            |                            |
| Accounts Payable                                              | -                        | 9,915                      | 1,453                      |
| Interest Payable                                              | -                        | -                          | -                          |
| Accrued Wages Payable                                         | -                        | -                          | -                          |
| Claims Liability                                              | -                        | -                          | 2,540,914                  |
| Unearned Revenues                                             | -                        | -                          | -                          |
| Total Current Liabilities                                     | <u>-</u>                 | <u>9,915</u>               | <u>2,542,367</u>           |
| Noncurrent Liabilities:                                       |                          |                            |                            |
| Right to Use Lease Asset Payable - Due within one year        | -                        | -                          | -                          |
| Right to Use Lease Asset Payable - Long Term                  | -                        | -                          | -                          |
| Claims Liability Long-Term                                    | -                        | -                          | 1,240,980                  |
| Total Noncurrent Liabilities                                  | <u>-</u>                 | <u>-</u>                   | <u>1,240,980</u>           |
| Total Liabilities                                             | <u>-</u>                 | <u>9,915</u>               | <u>3,783,347</u>           |
| <b>NET POSITION</b>                                           |                          |                            |                            |
| Net Investment in Capital Assets                              | -                        | 157,452                    | -                          |
| Unrestricted Net Position                                     | 110,261                  | 1,432,674                  | 3,510,969                  |
| Total Net Position                                            | <u><u>\$ 110,261</u></u> | <u><u>\$ 1,590,126</u></u> | <u><u>\$ 3,510,969</u></u> |



| 756<br>Copier<br>Pool | 757<br>Curtis<br>Culwell Center | Total<br>Internal<br>Service Funds |
|-----------------------|---------------------------------|------------------------------------|
| \$ 513,686            | \$ 1,912,034                    | \$ 11,203,604                      |
| -                     | -                               | 69,282                             |
| <u>513,686</u>        | <u>1,912,034</u>                | <u>11,272,886</u>                  |
| -                     | 251,316                         | 251,316                            |
| -                     | 691,515                         | 699,235                            |
| -                     | 2,070,683                       | 4,280,039                          |
| 5,001,199             | -                               | 5,001,199                          |
| -                     | (155,797)                       | (155,797)                          |
| -                     | (198,874)                       | (206,594)                          |
| (425,917)             | -                               | (425,917)                          |
| -                     | (981,356)                       | (3,033,260)                        |
| <u>4,575,282</u>      | <u>1,677,487</u>                | <u>6,410,221</u>                   |
| <u>5,088,968</u>      | <u>3,589,521</u>                | <u>17,683,107</u>                  |
| 84,135                | 176,993                         | 272,496                            |
| 11,409                | -                               | 11,409                             |
| -                     | 8,291                           | 8,291                              |
| -                     | -                               | 2,540,914                          |
| -                     | 652,879                         | 652,879                            |
| <u>95,544</u>         | <u>838,163</u>                  | <u>3,485,989</u>                   |
| 843,384               | -                               | 843,384                            |
| 3,719,963             | -                               | 3,719,963                          |
| -                     | -                               | 1,240,980                          |
| <u>4,563,347</u>      | <u>-</u>                        | <u>5,804,327</u>                   |
| <u>4,658,891</u>      | <u>838,163</u>                  | <u>9,290,316</u>                   |
| 11,935                | 1,677,487                       | 1,846,874                          |
| 418,142               | 1,073,871                       | 6,545,917                          |
| <u>\$ 430,077</u>     | <u>\$ 2,751,358</u>             | <u>\$ 8,392,791</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, 2023

|                                          | 751<br>Motor<br>Pool  | 752<br>Print<br>Shop       | 753<br>Risk<br>Management  |
|------------------------------------------|-----------------------|----------------------------|----------------------------|
| <b>OPERATING REVENUES:</b>               |                       |                            |                            |
| Local and Intermediate Sources           | \$ 35,410             | \$ 712,383                 | \$ 2,625,966               |
| Total Operating Revenues                 | <u>35,410</u>         | <u>712,383</u>             | <u>2,625,966</u>           |
| <b>OPERATING EXPENSES:</b>               |                       |                            |                            |
| Payroll Costs                            | -                     | 185,698                    | 453,201                    |
| Professional and Contracted Services     | -                     | 154,241                    | 112,445                    |
| Supplies and Materials                   | 29,292                | 359,201                    | 20,580                     |
| Other Operating Costs                    | -                     | 777                        | 2,955,581                  |
| Depreciation/Amortization                | -                     | 44,782                     | -                          |
| Total Operating Expenses                 | <u>29,292</u>         | <u>744,699</u>             | <u>3,541,807</u>           |
| Operating Income (Loss)                  | <u>6,118</u>          | <u>(32,316)</u>            | <u>(915,841)</u>           |
| <b>NONOPERATING REVENUES (EXPENSES):</b> |                       |                            |                            |
| Interest on Capital Lease                | -                     | -                          | -                          |
| Transfer In                              | -                     | -                          | -                          |
| Total Nonoperating Revenues (Expenses)   | <u>-</u>              | <u>-</u>                   | <u>-</u>                   |
| Change in Net Position                   | 6,118                 | (32,316)                   | (915,841)                  |
| Total Net Position - July 1 (Beginning)  | <u>104,143</u>        | <u>1,622,442</u>           | <u>4,426,810</u>           |
| Total Net Position - June 30 (Ending)    | <u><u>110,261</u></u> | <u><u>\$ 1,590,126</u></u> | <u><u>\$ 3,510,969</u></u> |

| 756<br>Copier<br>Pool | 757<br>Curtis<br>Culwell Center | Total<br>Internal<br>Service Funds |
|-----------------------|---------------------------------|------------------------------------|
| \$ 931,699            | \$ 4,089,588                    | \$ 8,395,046                       |
| <u>931,699</u>        | <u>4,089,588</u>                | <u>8,395,046</u>                   |
| -                     | 1,343,458                       | 1,982,357                          |
| 382,538               | 1,866,283                       | 2,515,507                          |
| -                     | 327,010                         | 736,083                            |
| -                     | 67,625                          | 3,023,983                          |
| 425,917               | 180,043                         | 650,742                            |
| <u>808,455</u>        | <u>3,784,419</u>                | <u>8,908,672</u>                   |
| <u>123,244</u>        | <u>305,169</u>                  | <u>(513,626)</u>                   |
| (87,597)              | -                               | (87,597)                           |
| -                     | 380,000                         | 380,000                            |
| <u>(87,597)</u>       | <u>380,000</u>                  | <u>292,403</u>                     |
| 35,647                | 685,169                         | (221,223)                          |
| 394,430               | 2,066,189                       | 8,614,014                          |
| <u>\$ 430,077</u>     | <u>\$ 2,751,358</u>             | <u>\$ 8,392,791</u>                |

GARLAND INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|                                                                                                              | 751<br>Motor<br>Pool | 752<br>Print<br>Shop | 753<br>Risk<br>Management |
|--------------------------------------------------------------------------------------------------------------|----------------------|----------------------|---------------------------|
| Cash Flows from Operating Activities:                                                                        |                      |                      |                           |
| Cash Received from User Charges                                                                              | \$ 35,410            | \$ -                 | \$ -                      |
| Cash Received from Assessments - Other Funds                                                                 | -                    | 712,383              | 2,696,209                 |
| Cash Payments to Employees for Services                                                                      | -                    | (192,037)            | (453,201)                 |
| Cash Payments for Insurance Claims                                                                           | -                    | -                    | (2,498,970)               |
| Cash Payments for Suppliers                                                                                  | (29,292)             | (415,633)            | (58,569)                  |
| Cash Payments for Other Operating Expenses                                                                   | -                    | (777)                | (9,054)                   |
| Cash Payments for Prof. and Contracted Services                                                              | -                    | (154,241)            | (112,445)                 |
| Net Cash Provided by (Used for) Operating Activities                                                         | <u>6,118</u>         | <u>(50,305)</u>      | <u>(436,030)</u>          |
| Cash Flows from Noncapital Financing Activities:                                                             |                      |                      |                           |
| Transfer In                                                                                                  | -                    | -                    | -                         |
| Net Cash Provided by (Used for) Noncapital Financing Activities                                              | <u>-</u>             | <u>-</u>             | <u>-</u>                  |
| Cash Flows from Capital Financing Activities:                                                                |                      |                      |                           |
| Acquisition of Capital Assets                                                                                | -                    | (106,229)            | -                         |
| Lease Payments                                                                                               | -                    | -                    | -                         |
| Lease Interest Expense                                                                                       | -                    | -                    | -                         |
| Net Cash Provided by (Used for) Capital Financing Activities                                                 | <u>-</u>             | <u>(106,229)</u>     | <u>-</u>                  |
| Net Increase (Decrease) in Cash and Cash Equivalents                                                         | 6,118                | (156,534)            | (436,030)                 |
| Cash and Cash Equivalents at Beginning of the Year:                                                          | 104,143              | 1,529,841            | 7,730,346                 |
| Cash and Cash Equivalents at the End of the Year:                                                            | <u>\$ 110,261</u>    | <u>\$ 1,373,307</u>  | <u>\$ 7,294,316</u>       |
| Reconciliation of Operating Income (Loss) to Net Cash<br>Provided by (Used for) Operating Activities:        |                      |                      |                           |
| Operating Income (Loss):                                                                                     | \$ 6,118             | \$ (32,316)          | \$ (915,841)              |
| Adjustments to Reconcile Operating Income (Loss) to Net<br>Cash Provided by (Used for) Operating Activities: |                      |                      |                           |
| Depreciation/Amortization                                                                                    | -                    | 44,782               | -                         |
| Assets and Liabilities:                                                                                      |                      |                      |                           |
| (Increase) Decrease in Other Receivables                                                                     | -                    | (59,147)             | 70,243                    |
| Increase (Decrease) in Accounts Payable                                                                      | -                    | 2,715                | (37,989)                  |
| Increase (Decrease) in Accrued Wages Payable                                                                 | -                    | (6,339)              | -                         |
| Increase (Decrease) in Unearned Revenue                                                                      | -                    | -                    | -                         |
| Increase (Decrease) in Claims Liability                                                                      | -                    | -                    | 447,557                   |
| Net Cash Provided by (Used for) Operating Activities                                                         | <u>\$ 6,118</u>      | <u>\$ (50,305)</u>   | <u>\$ (436,030)</u>       |

| 756<br>Copier<br>Pool | 757<br>Curtis<br>Culwell Center | Total<br>Internal<br>Service Funds |
|-----------------------|---------------------------------|------------------------------------|
| \$ 931,699            | \$ 3,636,716                    | \$ 4,603,825                       |
| -                     | 380,000                         | 3,788,592                          |
| -                     | (1,354,719)                     | (1,999,957)                        |
| -                     | -                               | (2,498,970)                        |
| -                     | (334,031)                       | (837,525)                          |
| -                     | (67,625)                        | (77,456)                           |
| (399,897)             | (1,866,283)                     | (2,532,866)                        |
| <u>531,802</u>        | <u>394,058</u>                  | <u>445,643</u>                     |
| -                     | 380,000                         | 380,000                            |
| -                     | 380,000                         | 380,000                            |
| -                     | (1,567,307)                     | (1,673,536)                        |
| (493,392)             | -                               | (493,392)                          |
| (87,597)              | -                               | (87,597)                           |
| <u>(580,989)</u>      | <u>(1,567,307)</u>              | <u>(2,254,525)</u>                 |
| (49,187)              | (793,249)                       | (1,428,882)                        |
| 562,873               | 2,705,283                       | 12,632,486                         |
| <u>\$ 513,686</u>     | <u>\$ 1,912,034</u>             | <u>\$ 11,203,604</u>               |
| \$ 123,244            | \$ 305,169                      | \$ (513,626)                       |
| 425,917               | 180,043                         | 650,742                            |
| -                     | 236                             | 11,332                             |
| (17,359)              | (7,020)                         | (59,653)                           |
| -                     | (11,262)                        | (17,601)                           |
| -                     | (73,108)                        | (73,108)                           |
| -                     | -                               | 447,557                            |
| <u>\$ 531,802</u>     | <u>\$ 394,058</u>               | <u>\$ 445,643</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, 2023

Exhibit H-4

|                                                             | Student Activity<br>Funds | Other Activity<br>Funds | Total      |
|-------------------------------------------------------------|---------------------------|-------------------------|------------|
| <b>ASSETS</b>                                               |                           |                         |            |
| Cash and Cash Equivalents                                   | \$ 531,638                | \$ 249,053              | \$ 780,691 |
| Total Assets                                                | 531,638                   | 249,053                 | 780,691    |
| <b>LIABILITIES</b>                                          |                           |                         |            |
| Accounts Payable                                            | 29,783                    | 5,172                   | 34,955     |
| Total Liabilities                                           | 29,783                    | 5,172                   | 34,955     |
| <b>NET POSITION</b>                                         |                           |                         |            |
| Restricted for student<br>scholarships and other activities | 501,855                   | 243,881                 | 745,736    |
| Total Net Position                                          | \$ 501,855                | \$ 243,881              | \$ 745,736 |

GARLAND INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION CUSTODIAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit H-5

|                                  | Student Activity<br>Funds | Other Activity<br>Funds | Total        |
|----------------------------------|---------------------------|-------------------------|--------------|
| <b>ADDITIONS</b>                 |                           |                         |              |
| Activity fund revenues           | \$ 846,242                | \$ 269,214              | \$ 1,115,456 |
| Total Additions                  | 846,242                   | 269,214                 | 1,115,456    |
| <b>DEDUCTIONS</b>                |                           |                         |              |
| Activity fund expenses           | 778,261                   | 225,905                 | 1,004,166    |
| Total Deductions                 | 778,261                   | 225,905                 | 1,004,166    |
| <b>CHANGE IN NET POSITION</b>    | 67,981                    | 43,309                  | 111,290      |
| Net position - beginning of year | 433,874                   | 200,572                 | 634,446      |
| Net position - end of year       | \$ 501,855                | \$ 243,881              | \$ 745,736   |



## Required TEA Schedules Section

GARLAND INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2023

| Last Ten Years Ended<br>June 30               | <b>1</b>    |              | <b>2</b> |  | <b>3</b>                                                      |  | <b>10</b>                        |                  |
|-----------------------------------------------|-------------|--------------|----------|--|---------------------------------------------------------------|--|----------------------------------|------------------|
|                                               | Tax Rates   |              |          |  | Net Assessed/Appraised<br>Value For School<br>Tax Purposes ** |  | Beginning<br>Balance<br>7/1/2022 |                  |
|                                               | Maintenance | Debt Service |          |  |                                                               |  |                                  |                  |
| 2014 and prior years                          | various     | various      |          |  | various                                                       |  | \$                               | 947,930          |
| 2015                                          | \$ 1.0400   | \$ 0.2133    |          |  | \$ 13,678,153,355                                             |  |                                  | 133,022          |
| 2016                                          | 1.0400      | 0.3133       |          |  | 14,001,530,407                                                |  |                                  | 134,947          |
| 2017                                          | 1.0400      | 0.4200       |          |  | 15,362,186,673                                                |  |                                  | 155,091          |
| 2018                                          | 1.0400      | 0.4200       |          |  | 17,823,103,077                                                |  |                                  | 212,053          |
| 2019                                          | 1.0400      | 0.4200       |          |  | 19,701,949,552                                                |  |                                  | 527,385          |
| 2020                                          | 0.9700      | 0.4200       |          |  | 21,361,636,951                                                |  |                                  | 687,413          |
| 2021                                          | 0.9513      | 0.3050       |          |  | 23,585,754,912                                                |  |                                  | 1,031,110        |
| 2022                                          | 0.9384      | 0.3179       |          |  | 24,565,242,897                                                |  |                                  | 3,863,797        |
| 2023                                          | 0.8546      | 0.3179       |          |  | 28,883,975,715                                                |  |                                  |                  |
|                                               |             |              |          |  |                                                               |  | \$                               | <u>7,692,748</u> |
| Tax Refunds Issued under 26.1115(c), Tax Code |             |              |          |  |                                                               |  | \$                               | 62,431           |

\*\* 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.

| <b>20</b><br>Current<br>Year's<br>Total Levy *** | <b>31</b><br>Maintenance<br>Total<br>Collections | <b>32</b><br>Debt Service<br>Total<br>Collections | <b>40</b><br>Entire<br>Year's<br>Adjustments **** | <b>50</b><br>Ending<br>Balance<br>6/30/2023 |
|--------------------------------------------------|--------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------|
| \$ -                                             | \$ 48,507                                        | \$ 11,918                                         | \$ (44,349)                                       | \$ 843,156                                  |
|                                                  | 6,230                                            | 1,278                                             | (1,200)                                           | 124,314                                     |
|                                                  | 6,807                                            | 2,051                                             | (1,910)                                           | 124,179                                     |
|                                                  | 8,420                                            | 3,400                                             | (4,209)                                           | 139,062                                     |
|                                                  | 27,063                                           | 10,929                                            | (6,230)                                           | 167,831                                     |
|                                                  | 69,333                                           | 28,000                                            | (192,404)                                         | 237,648                                     |
|                                                  | 144,562                                          | 62,594                                            | 2,548                                             | 482,805                                     |
|                                                  | 214,270                                          | 65,741                                            | (147,080)                                         | 604,019                                     |
|                                                  | 685,684                                          | 232,289                                           | (1,839,476)                                       | 1,106,348                                   |
| <u>325,740,392</u>                               | <u>233,880,643</u>                               | <u>86,970,764</u>                                 | <u>83,270</u>                                     | <u>4,972,255</u>                            |
| <u>\$ 325,740,392</u>                            | <u>\$ 235,091,519</u>                            | <u>\$ 87,388,964</u>                              | <u>\$ (2,151,040)</u>                             | <u>\$ 8,801,617</u>                         |

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, 2023

Exhibit J-2

| Data<br>Control<br><u>Codes</u>                                | <u>Budgeted Amounts</u> |                      | Actual Amounts       | Variance With       |
|----------------------------------------------------------------|-------------------------|----------------------|----------------------|---------------------|
|                                                                | <u>ORIGINAL</u>         | <u>FINAL</u>         | <u>(GAAP BASIS)</u>  | <u>Final Budget</u> |
| <b>REVENUES:</b>                                               |                         |                      |                      |                     |
| 5700 Total Local and Intermediate Sources                      | \$ 73,836,516           | \$ 85,838,353        | \$ 90,139,002        | \$ 4,300,649        |
| 5800 State Program Revenues                                    |                         | 830,000              | 2,649,396            | 1,819,396           |
| 5900 Federal Program Revenues                                  | 471,993                 | 471,993              | 474,313              | 2,320               |
| 5020 Total Revenues                                            | <u>74,308,509</u>       | <u>87,140,346</u>    | <u>93,262,711</u>    | <u>6,122,365</u>    |
| <b>EXPENDITURES:</b>                                           |                         |                      |                      |                     |
| Current:                                                       |                         |                      |                      |                     |
| Debt Service:                                                  |                         |                      |                      |                     |
| 0071 Debt Service-Principal on Long Term Debt                  | 41,900,000              | 81,900,000           | 80,201,643           | 1,698,357           |
| 0072 Debt Service-Interest on Long Term Debt                   | 18,598,642              | 18,598,643           | 18,598,642           | 1                   |
| 0073 Bond Issuance Cost and Fees                               | 1,000,000               | 999,999              | 28,900               | 971,099             |
| 6030 Total Expenditures                                        | <u>61,498,642</u>       | <u>101,498,642</u>   | <u>98,829,185</u>    | <u>2,669,457</u>    |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | 12,809,867              | (14,358,296)         | (5,566,474)          | 8,791,822           |
| 1200 Net Change in Fund Balances                               |                         |                      | (5,566,474)          |                     |
| 0100 Fund Balance - July 1 (Beginning)                         | <u>84,283,646</u>       | <u>89,550,646</u>    | <u>98,255,627</u>    | <u>-</u>            |
| 3000 Fund Balance - June 30 (Ending)                           | <u>\$ 97,093,513</u>    | <u>\$ 75,192,350</u> | <u>\$ 92,689,153</u> | <u>\$ 8,791,822</u> |

GARLAND INDEPENDENT SCHOOL DISTRICT  
 COMPENSATORY EDUCATION PROGRAM AND  
 BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.                        | \$ 57,431,609    |
| 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) | \$ 34,511,591    |
| <b><u>Section B: Bilingual Education Programs</u></b> |                                                                                                                                                   |                  |
| 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.                                      | \$ 12,643,847    |
| AP8                                                   | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)                          | \$ 5,200,909     |

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 | \$ 57,431,609          | 55%                            | \$ 31,587,385                  | \$ 34,511,591          | \$ 3,642,333                      | \$ 38,153,924         |
| Bilingual Education          | 12,643,847             | 55%                            | 6,954,116                      | 5,200,909              | 2,343,762                         | 7,544,671             |

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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                                                                                                                                                                                                               | 86-99   |
| These schedules contain trend information to help the reader understand how the government’s financial performance and wellbeing have changed over time.                                                                       |         |
| Revenue Capacity                                                                                                                                                                                                               | 100-103 |
| These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.                                                                                        |         |
| Debt Capacity                                                                                                                                                                                                                  | 104-106 |
| 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                                                                                                                                                                                           | 107-109 |
| 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                                                                                                                                                                                                          | 110-123 |
| 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           |                       |                       |                       |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                  | 2014                  | 2015                  | 2016                  | 2017                  |
| Governmental net position        |                       |                       |                       |                       |
| Net investment in capital assets | \$ 162,891,590        | \$ 173,975,555        | \$ 186,102,148        | \$ 230,598,662        |
| Restricted                       |                       |                       |                       |                       |
| Food Service                     |                       | 2,753,549             | 4,543,133             | 6,624,529             |
| Debt Service                     | 5,841,400             | 9,556,908             | 8,043,823             | 13,172,040            |
| Grant Funds                      | 9,155,138             | 3,926,659             | 11,563,497            | 17,492,426            |
| Construction                     | 6,614,366             |                       |                       |                       |
| Unrestricted                     | 163,033,042           | 104,414,137           | 90,509,434            | 88,318,803            |
| Total governmental net position  | <u>347,535,536</u>    | <u>294,626,808</u>    | <u>300,762,035</u>    | <u>356,206,460</u>    |
| Business-type net position       |                       |                       |                       |                       |
| Net investment in capital assets | 9,023                 | 6,445                 | -                     | -                     |
| Unrestricted                     | (130,792)             | (6,661)               | -                     | -                     |
| Total Business-type net position | <u>(121,769)</u>      | <u>(216)</u>          | <u>-</u>              | <u>-</u>              |
| Total net position               |                       |                       |                       |                       |
| Net investment in capital assets | 162,900,613           | 173,982,000           | 186,102,148           | 230,598,662           |
| Restricted                       |                       |                       |                       |                       |
| Food Service                     |                       | 2,753,549             | 4,543,133             | 6,624,529             |
| Debt Service                     | 5,841,400             | 9,556,908             | 8,043,823             | 13,172,040            |
| Grant Funds                      | 9,155,138             | 3,926,659             | 11,563,497            | 17,492,426            |
| Construction                     | 6,614,366             |                       |                       |                       |
| Unrestricted                     | 162,902,250           | 104,407,476           | 90,509,434            | 88,318,803            |
| Total net position               | <u>\$ 347,413,767</u> | <u>\$ 294,626,592</u> | <u>\$ 300,762,035</u> | <u>\$ 356,206,460</u> |

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



| Fiscal Year           |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
| \$ 291,998,041        | \$ 339,849,519        | \$ 352,783,669        | \$ 344,843,626        | \$ 361,452,377        | \$ 428,738,434        |
| 10,265,688            | 13,250,762            | 7,588,492             | 3,861,592             | 15,150,395            | 20,280,410            |
| 22,490,186            | 42,716,002            | 64,641,353            | 71,019,364            | 86,051,888            | 88,907,143            |
| 14,140,160            | 1,728,391             | 1,648,765             | 326,321               | 4,637,366             | 2,390,707             |
| (177,634,686)         | (135,726,703)         | (125,543,118)         | (125,598,808)         | (95,716,573)          | (104,390,058)         |
| <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>    | <u>435,926,636</u>    |
| -                     | -                     | -                     | -                     | -                     | -                     |
| -                     | -                     | -                     | -                     | -                     | -                     |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 291,998,041           | 339,849,519           | 352,783,669           | 344,843,626           | 361,452,377           | 428,738,434           |
| 10,265,688            | 13,250,762            | 7,588,492             | 3,861,592             | 15,150,395            | 20,280,410            |
| 22,490,186            | 42,716,002            | 64,641,353            | 71,019,364            | 86,051,888            | 88,907,143            |
| 14,140,160            | 1,728,391             | 1,648,765             | 326,321               | 4,637,366             | 2,390,707             |
| (177,634,686)         | (135,726,703)         | (125,543,118)         | (125,598,808)         | (95,716,573)          | (104,390,058)         |
| <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> | <u>\$ 435,926,636</u> |

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

|                                                             | Fiscal Year             |                         |                         |                         |
|-------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                             | 2014                    | 2015                    | 2016                    | 2017                    |
| <b>Expenses</b>                                             |                         |                         |                         |                         |
| <b>Governmental activities</b>                              |                         |                         |                         |                         |
| Instruction                                                 | \$ 293,173,717          | \$ 302,936,954          | \$ 326,193,632          | \$ 319,232,860          |
| Instructional resource and media services                   | 7,897,014               | 8,240,779               | 8,476,668               | 8,397,550               |
| Curriculum and staff development services                   | 11,848,699              | 13,966,276              | 15,289,822              | 15,833,458              |
| Instructional leadership                                    | 9,444,098               | 9,476,390               | 9,404,380               | 9,239,512               |
| School leadership                                           | 28,022,164              | 29,359,186              | 31,430,176              | 31,663,652              |
| Guidance, counseling, and evaluation services               | 19,318,654              | 21,727,176              | 23,134,956              | 23,589,312              |
| Social work services                                        | 1,339,419               | 1,253,128               | 1,057,374               | 800,029                 |
| Health services                                             | 6,228,989               | 6,545,294               | 6,867,464               | 6,893,327               |
| Student transportation                                      | 12,966,006              | 13,717,097              | 15,154,555              | 15,456,729              |
| Food Service                                                | 31,285,050              | 32,701,421              | 31,575,592              | 31,390,062              |
| Cocurricular/Extracurricular activities                     | 8,556,794               | 9,077,240               | 10,327,317              | 9,046,761               |
| General administration                                      | 15,141,046              | 15,338,293              | 15,353,186              | 16,081,858              |
| Facilities maintenance and operations                       | 38,454,227              | 39,578,630              | 40,912,661              | 38,997,523              |
| Security and monitoring services                            | 4,100,656               | 4,348,891               | 6,318,189               | 5,970,986               |
| Data processing services                                    | 15,490,524              | 24,346,683              | 40,659,486              | 21,610,633              |
| Community services                                          | 3,198,004               | 3,462,272               | 4,063,974               | 3,939,824               |
| Interest on long-term debt                                  | 11,926,352              | 13,571,186              | 18,083,049              | 22,221,597              |
| Bond issuance cost and fees                                 | 176,140                 | 1,486,831               | 434,984                 | 1,050,341               |
| Facilities repairs and maintenance                          | 5,364,055               | 1,605,080               | 1,984,797               | 19,131                  |
| Payments to Fiscal Agent of Shared Services Arrangement     | 74,889                  | 81,790                  | 78,603                  | 82,925                  |
| Payments to Juvenile Justice Alternative Education Programs | 4,824                   | 10,716                  | 30,168                  | 25,536                  |
| Intergovernmental Charges                                   | 662,918                 | 667,640                 | 692,137                 | 745,631                 |
| Total governmental activities expenses                      | <u>524,674,239</u>      | <u>553,498,953</u>      | <u>607,523,170</u>      | <u>582,289,237</u>      |
| <b>Business-type activities</b>                             |                         |                         |                         |                         |
| Concessions                                                 | 259,754                 | 282,724                 | 213                     | -                       |
| Total business-type activities expenses                     | <u>259,754</u>          | <u>282,724</u>          | <u>213</u>              | <u>-</u>                |
| Total expenses                                              | <u>\$ 524,933,993</u>   | <u>\$ 553,781,677</u>   | <u>\$ 607,523,383</u>   | <u>\$ 582,289,237</u>   |
| <b>Program Revenues</b>                                     |                         |                         |                         |                         |
| <b>Governmental activities</b>                              |                         |                         |                         |                         |
| <b>Charges for services</b>                                 |                         |                         |                         |                         |
| Instruction                                                 | \$ 428,438              | \$ 419,763              | \$ 477,147              | \$ 797,456              |
| Curriculum and staff development                            |                         |                         |                         |                         |
| Food service                                                | 9,276,095               | 9,272,764               | 7,729,332               | 7,194,211               |
| Cocurricular/Extracurricular activities                     | 5,261,990               | 4,292,064               | 4,974,632               | 4,752,685               |
| Plant maintenance and operations                            | 151,719                 | 184,070                 | 209,727                 | 329,971                 |
| Security and monitoring services                            |                         |                         |                         |                         |
| Community services                                          |                         |                         |                         |                         |
| Operating grants and contributions                          | 90,430,370              | 98,476,190              | 114,478,252             | 111,116,480             |
| Total governmental entities program revenue                 | <u>105,548,612</u>      | <u>112,644,851</u>      | <u>127,869,090</u>      | <u>124,190,803</u>      |
| <b>Business-type activities</b>                             |                         |                         |                         |                         |
| <b>Charges for services</b>                                 |                         |                         |                         |                         |
| Concessions                                                 | 252,564                 | 271,241                 | -                       | -                       |
| Total governmental entities business-type revenue           | <u>252,564</u>          | <u>271,241</u>          | <u>-</u>                | <u>-</u>                |
| Total program revenues                                      | <u>\$ 105,801,176</u>   | <u>\$ 112,916,092</u>   | <u>\$ 127,869,090</u>   | <u>\$ 124,190,803</u>   |
| <b>Net Expense</b>                                          |                         |                         |                         |                         |
| Governmental activities                                     | \$ (419,125,627)        | \$ (440,854,102)        | \$ (479,654,080)        | \$ (458,098,434)        |
| Business-type activities                                    | (7,190)                 | (11,483)                | (213)                   | -                       |
| Total net expenses                                          | <u>\$ (419,132,817)</u> | <u>\$ (440,865,585)</u> | <u>\$ (479,654,293)</u> | <u>\$ (458,098,434)</u> |

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

| Fiscal Year             |                         |                         |                         |                         |                         |  |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| 2018                    | 2019                    | 2020                    | 2021                    | 2022                    | 2023                    |  |
| \$ 207,916,878          | \$ 328,115,753          | \$ 358,104,960          | \$ 369,188,755          | \$ 317,418,795          | \$ 344,259,620          |  |
| 6,073,555               | 8,207,096               | 9,157,876               | 9,072,406               | 7,980,212               | 8,487,030               |  |
| 12,133,420              | 16,034,427              | 20,666,755              | 21,989,875              | 16,481,755              | 22,058,677              |  |
| 6,132,427               | 8,474,957               | 10,023,316              | 10,519,666              | 9,355,818               | 12,080,850              |  |
| 21,293,586              | 30,139,683              | 36,632,987              | 35,831,035              | 32,252,551              | 33,203,007              |  |
| 16,606,572              | 23,382,685              | 27,630,458              | 27,513,261              | 24,836,588              | 27,249,421              |  |
| 595,506                 | 871,175                 | 1,247,338               | 1,019,642               | 759,241                 | 852,798                 |  |
| 4,573,637               | 6,964,692               | 7,931,437               | 8,993,248               | 7,810,094               | 8,094,188               |  |
| 14,983,937              | 15,440,622              | 19,181,850              | 20,286,452              | 22,384,920              | 22,770,194              |  |
| 27,716,685              | 29,264,833              | 33,165,956              | 27,247,110              | 29,564,837              | 30,487,660              |  |
| 12,441,464              | 13,093,002              | 13,774,426              | 13,408,253              | 15,286,225              | 16,258,162              |  |
| 11,846,283              | 13,725,592              | 17,326,424              | 17,617,058              | 16,676,471              | 19,524,991              |  |
| 37,334,029              | 42,209,307              | 43,253,497              | 60,144,444              | 54,552,442              | 58,623,991              |  |
| 5,961,321               | 7,776,293               | 8,820,570               | 7,933,703               | 6,883,742               | 7,553,802               |  |
| 13,282,338              | 19,561,761              | 19,680,574              | 27,680,360              | 38,757,440              | 19,469,150              |  |
| 2,623,819               | 3,393,311               | 3,552,435               | 3,442,178               | 2,754,483               | 3,173,845               |  |
| 22,796,188              | 18,848,982              | 21,321,564              | 18,387,683              | 16,146,467              | 10,946,790              |  |
| 680,874                 | 197,174                 | 291,142                 | -                       | 21,814                  | 28,900                  |  |
| 929,320                 | 131,639                 | 166,576                 | 16,257                  | 541,822                 | 592,688                 |  |
| 103,090                 | 117,609                 | 134,796                 | 179,365                 | 176,895                 | 137,800                 |  |
| 15,996                  | 10,944                  | 28,764                  | 7,446                   | 30,702                  | 58,632                  |  |
| 835,727                 | 925,839                 | 928,362                 | 963,769                 | 897,947                 | 982,673                 |  |
| <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>646,894,869</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>\$ 646,894,869</u>   |  |
| \$ 1,078,595            | \$ 1,004,136            | \$ 710,330              | \$ 97,175               | \$ 185,304              | \$ 168,737              |  |
| 7,105,515               | 5,907,159               | 4,687,943               | 774,760                 | 1,948,410               | 4,968,582               |  |
| 4,744,058               | 4,656,066               | 3,508,725               | 1,037,409               | 3,965,199               | 4,796,141               |  |
| 152,110                 | 145,580                 | 121,935                 | 168,180                 | 350,428                 | 412,626                 |  |
| 1,262,569               | 112,798,531             | 121,875,947             | 135,181,539             | 134,922,344             | 121,327,664             |  |
| <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>131,673,750</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>\$ 131,673,750</u>   |  |
| \$ (412,533,805)        | \$ (462,375,904)        | \$ (522,117,183)        | \$ (544,182,903)        | \$ (480,199,576)        | \$ (515,221,119)        |  |
| -                       | -                       | -                       | -                       | -                       | -                       |  |
| <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> | <u>\$ (515,221,119)</u> |  |

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

|                                                  | Fiscal Year             |                         |                         |                         |
|--------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                  | 2014                    | 2015                    | 2016                    | 2017                    |
| Net Expense                                      |                         |                         |                         |                         |
| Governmental activities                          | \$ (419,125,627)        | \$ (440,854,102)        | \$ (479,654,080)        | \$ (458,098,434)        |
| Business-type activities                         | (7,190)                 | (11,483)                | (213)                   | -                       |
| Total net expenses                               | <u>\$ (419,132,817)</u> | <u>\$ (440,865,585)</u> | <u>\$ (479,654,293)</u> | <u>\$ (458,098,434)</u> |
| General Revenues                                 |                         |                         |                         |                         |
| Governmental activities                          |                         |                         |                         |                         |
| Taxes                                            |                         |                         |                         |                         |
| Property taxes levied for general purposes       | \$ 137,162,011          | \$ 143,261,249          | \$ 147,147,310          | \$ 160,752,789          |
| Property taxes levied for debt service           | 28,090,094              | 29,406,886              | 44,156,322              | 64,727,260              |
| State Aid Formula Grants                         | 270,830,210             | 278,214,031             | 290,555,354             | 280,753,101             |
| Grants and contributions not restricted          | 504,719                 | 457,688                 | 1,614,381               | 1,697,891               |
| Investment earnings                              | 96,855                  | 155,049                 | 1,152,599               | 2,981,631               |
| Miscellaneous                                    | 896,992                 | 1,496,153               | 917,065                 | 2,252,773               |
| Transfers in (out) from business-type activities |                         | (132,561)               | (429)                   | -                       |
| Special Items:                                   |                         |                         |                         |                         |
| Gain (Loss) on disposal of assets                | 256,242                 | 265,904                 | 246,705                 | 377,414                 |
| Liquidation of Claims Liability (Note 10)        |                         |                         |                         |                         |
| Extraordinary Items:                             |                         |                         |                         |                         |
| Insurance recoveries                             | 72,014                  |                         |                         |                         |
| Total governmental general revenues              | <u>437,909,137</u>      | <u>453,124,399</u>      | <u>485,789,307</u>      | <u>513,542,859</u>      |
| Business-type activities                         |                         |                         |                         |                         |
| Investment earnings                              | 52                      | 475                     |                         |                         |
| Transfers in/(out) to governmental activities    | -                       | 132,561                 | 429                     | -                       |
| Total business-type general revenues             | <u>52</u>               | <u>133,036</u>          | <u>429</u>              | <u>-</u>                |
| Total primary government general revenues        | <u>\$ 437,909,189</u>   | <u>\$ 453,257,435</u>   | <u>\$ 485,789,736</u>   | <u>\$ 513,542,859</u>   |
| Change in Net Position                           |                         |                         |                         |                         |
| Governmental activities                          | \$ 18,783,510           | \$ 12,270,297           | \$ 6,135,227            | \$ 55,444,425           |
| Business-type activities                         | (7,138)                 | 121,553                 | 216                     | -                       |
| Total primary government                         | <u>\$ 18,776,372</u>    | <u>\$ 12,391,850</u>    | <u>\$ 6,135,443</u>     | <u>\$ 55,444,425</u>    |

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

| Fiscal Year             |                         |                         |                         |                         |                         |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2018                    | 2019                    | 2020                    | 2021                    | 2022                    | 2023                    |
| \$ (412,533,805)        | \$ (462,375,904)        | \$ (522,117,183)        | \$ (544,182,903)        | \$ (480,199,576)        | \$ (515,221,119)        |
| <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> | <u>\$ (515,221,119)</u> |
| 177,189,925             | 196,893,187             | 199,764,239             | 214,437,931             | 223,608,648             | 237,293,135             |
| 71,576,774              | 79,322,278              | 86,252,334              | 68,918,356              | 75,753,284              | 88,248,515              |
| 274,441,570             | 258,315,850             | 264,547,309             | 262,806,481             | 244,406,171             | 227,774,513             |
| 2,054,402               | 1,734,601               | 1,863,128               | 3,713,285               | 7,337,809               | 8,033,656               |
| 6,653,988               | 8,228,220               | 6,333,387               | 368,376                 | 159,053                 | 15,700,767              |
| 1,899,433               | 1,215,452               | 1,863,505               | 798,189                 | 4,513,724               | 1,893,857               |
| 553,941                 | 1,222,636               | 794,471                 | 283,574                 | 1,544,245               | 627,859                 |
| <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>579,572,302</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>\$ 579,572,302</u>   |
| \$ 121,836,228          | \$ 84,556,320           | \$ 39,301,190           | \$ 7,143,289            | \$ 77,123,358           | \$ 64,351,183           |
| -                       | -                       | -                       | -                       | -                       | -                       |
| <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>    | <u>\$ 64,351,183</u>    |

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

|                                                               | Fiscal Year           |                       |                       |                       |
|---------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                               | 2014                  | 2015                  | 2016                  | 2017                  |
| General Fund                                                  |                       |                       |                       |                       |
| Non-Spendable - Inventories                                   | \$ 841,310            | \$ 898,601            | \$ 985,030            | \$ 890,698            |
| Non-Spendable - Prepaid Items                                 | 1,947,959             | 1,453,566             | 1,044,039             | -                     |
| Committed - Capital Expenditures for Equipment                |                       |                       |                       |                       |
| Committed - Self-Insurance                                    | 8,000,000             | 8,000,000             | 8,000,000             | 8,000,000             |
| Assigned - Other                                              | -                     | -                     | -                     | -                     |
| Unassigned                                                    | 143,786,285           | 150,065,060           | 162,004,045           | 178,872,613           |
|                                                               | <u>\$ 154,575,554</u> | <u>\$ 160,417,227</u> | <u>\$ 172,033,114</u> | <u>\$ 187,763,311</u> |
| All Other Governmental Funds                                  |                       |                       |                       |                       |
| Non-Spendable - Inventories                                   | 2,022,565             | 1,665,298             | 2,049,499             | 1,906,372             |
| Non-Spendable - Prepaid Items                                 | 877,145               | 1,775,222             | 1,655,335             | -                     |
| Restricted - Grant Funds                                      | 6,840,334             | 3,487,530             | 12,437,623            | 22,210,583            |
| Restricted - Capital Acquisitions and Contractual Obligations | 6,614,366             | 183,774,730           | 97,915,261            | 158,771,545           |
| Restricted - Retirement of Long-term Debt                     | 6,008,006             | 9,961,155             | 8,345,668             | 13,716,951            |
| Committed - Local Special Revenue Fund                        | 3,096,524             | 2,321,589             | 2,330,898             | 2,493,805             |
| Assigned - Construction and Capital Expenditures              | 23,176,096            | 22,091,992            | 21,289,184            | 15,501,859            |
|                                                               | <u>\$ 48,635,036</u>  | <u>\$ 225,077,516</u> | <u>\$ 146,023,468</u> | <u>\$ 214,601,115</u> |

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

| Fiscal Year           |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
| \$ 907,053            | \$ 925,912            | \$ 998,377            | \$ 1,117,564          | \$ 1,321,726          | \$ 1,718,341          |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 8,000,000             | 8,000,000             | 8,000,000             | 7,000,000             | 7,000,000             | 7,000,000             |
| -                     | 673,486               | 587,312               | 587,312               | 1,122,900             | 1,122,900             |
| 184,480,205           | 220,271,987           | 257,899,782           | 262,239,740           | 276,140,819           | 252,679,025           |
| <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> | <u>\$ 262,520,266</u> |
| 2,069,511             | 1,507,585             | 1,648,765             | 1,822,884             | 2,022,903             | 3,061,132             |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 22,336,337            | 13,471,568            | 13,603,962            | 4,095,812             | 17,764,858            | 19,609,985            |
| 126,954,526           | 75,272,373            | 26,326,966            | 18,841,281            | 11,743,460            | 5,446,933             |
| 22,925,084            | 50,239,546            | 71,517,196            | 76,901,253            | 91,495,627            | 92,689,153            |
| 2,778,486             | 3,088,140             | 3,087,876             | 3,145,316             | 3,650,870             | 3,917,895             |
| 6,096,195             | 23,960,584            | 19,528,565            | 16,725,738            | 12,961,937            | 24,121,862            |
| <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> | <u>\$ 148,846,960</u> |

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

|                           | Fiscal Year           |                       |                       |                       |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                           | 2014                  | 2015                  | 2016                  | 2017                  |
| Local sources:            |                       |                       |                       |                       |
| Property taxes            | \$ 165,665,203        | \$ 172,925,921        | \$ 191,213,265        | \$ 225,136,669        |
| Earnings on Investments   | 99,336                | 151,757               | 1,185,673             | 3,097,611             |
| Other local sources       | 17,532,397            | 16,158,382            | 15,031,358            | 15,651,100            |
| Total local sources       | <u>183,296,936</u>    | <u>189,236,060</u>    | <u>207,430,296</u>    | <u>243,885,380</u>    |
| State sources:            |                       |                       |                       |                       |
| Per Capita                | \$ 14,229,508         | \$ 14,300,164         | \$ 9,745,185          | \$ 21,076,581         |
| Foundation School Program | 256,600,702           | 263,762,268           | 280,665,610           | 259,534,696           |
| On-behalf Payments        | 20,763,720            | 21,863,803            | 21,873,710            | 21,332,244            |
| Other State Sources       | 17,349,345            | 20,619,462            | 25,246,920            | 26,644,134            |
| Total state sources       | <u>308,943,275</u>    | <u>320,545,697</u>    | <u>337,531,425</u>    | <u>328,587,655</u>    |
| Federal sources:          | 51,334,853            | 56,740,087            | 56,398,403            | 60,268,133            |
| Total revenues            | <u>\$ 543,575,064</u> | <u>\$ 566,521,844</u> | <u>\$ 601,360,124</u> | <u>\$ 632,741,168</u> |

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



| Fiscal Year           |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
| \$ 248,652,345        | \$ 274,636,369        | \$ 285,771,808        | \$ 283,024,048        | \$ 299,662,160        | \$ 324,349,554        |
| 7,062,195             | 8,894,333             | 6,722,485             | 368,376               | 159,053               | 15,700,767            |
| 15,063,980            | 13,259,911            | 11,174,237            | 3,170,917             | 11,476,056            | 13,481,857            |
| <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>    | <u>353,532,178</u>    |
| \$ 11,062,727         | \$ 25,704,088         | \$ 16,674,101         | \$ 25,176,938         | \$ 23,833,645         | \$ 30,909,963         |
| 263,378,843           | 232,611,762           | 247,846,209           | 237,629,543           | 217,728,769           | 196,864,550           |
| 23,208,664            | 19,313,463            | 27,012,627            | 26,602,024            | 25,977,900            | 28,465,299            |
| 12,131,942            | 6,560,794             | 12,314,782            | 3,159,986             | 8,421,451             | 8,336,010             |
| <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>    | <u>264,575,822</u>    |
| 67,513,974            | 67,360,453            | 62,253,721            | 75,318,252            | 136,169,471           | 119,580,890           |
| <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> | <u>\$ 737,688,890</u> |

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

|                                                         | Fiscal Year           |                       |                       |                       |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                         | 2014                  | 2015                  | 2016                  | 2017                  |
| Expenditures                                            |                       |                       |                       |                       |
| Governmental funds                                      |                       |                       |                       |                       |
| 11 Instruction                                          | \$ 278,396,221        | \$ 292,682,387        | \$ 295,875,044        | \$ 296,735,311        |
| 12 Instructional resources and media services           | 7,414,899             | 7,635,828             | 7,976,025             | 7,715,713             |
| 13 Curriculum and staff development services            | 11,821,331            | 14,150,661            | 14,955,504            | 15,302,908            |
| Total function 10                                       | <u>297,632,451</u>    | <u>314,468,876</u>    | <u>318,806,573</u>    | <u>319,753,932</u>    |
| 21 Instructional leadership                             | 9,136,533             | 9,267,235             | 8,909,833             | 8,745,559             |
| 23 School leadership                                    | 27,735,396            | 29,106,054            | 30,227,932            | 30,381,505            |
| Total function 20                                       | <u>36,871,929</u>     | <u>38,373,289</u>     | <u>39,137,765</u>     | <u>39,127,064</u>     |
| 31 Guidance, counseling, and evaluation services        | 19,203,404            | 21,512,159            | 22,461,110            | 22,844,915            |
| 32 Social work services                                 | 1,346,199             | 1,338,547             | 1,045,330             | 791,786               |
| 33 Health services                                      | 6,132,616             | 6,389,549             | 6,618,661             | 6,603,999             |
| 34 Student transportation                               | 14,052,926            | 15,163,237            | 16,638,683            | 16,363,472            |
| 35 Food service                                         | 30,293,793            | 31,790,346            | 29,920,357            | 29,606,960            |
| 36 Extracurricular activities                           | 8,007,892             | 7,795,306             | 9,052,990             | 8,518,724             |
| Total function 30                                       | <u>79,036,830</u>     | <u>83,989,144</u>     | <u>85,737,131</u>     | <u>84,729,856</u>     |
| 41 General administration                               | 14,962,000            | 15,054,618            | 14,799,780            | 15,414,043            |
| Total function 40                                       | <u>14,962,000</u>     | <u>15,054,618</u>     | <u>14,799,780</u>     | <u>15,414,043</u>     |
| 51 Facilities maintenance and operations                | 37,405,228            | 37,643,590            | 38,407,218            | 38,255,742            |
| 52 Security and monitoring services                     | 3,821,316             | 4,072,994             | 6,123,148             | 5,720,961             |
| 53 Data processing services                             | 12,235,673            | 21,405,047            | 48,340,584            | 19,626,462            |
| Total function 50                                       | <u>53,462,217</u>     | <u>63,121,631</u>     | <u>92,870,950</u>     | <u>63,603,165</u>     |
| 61 Community service                                    | 2,302,771             | 2,695,992             | 3,059,647             | 2,923,205             |
| Total function 60                                       | <u>2,302,771</u>      | <u>2,695,992</u>      | <u>3,059,647</u>      | <u>2,923,205</u>      |
| 71 Debt service                                         |                       |                       |                       |                       |
| Principal on long-term debt                             | 25,368,218            | 25,765,010            | 38,298,252            | 48,531,442            |
| Interest on long-term debt                              | 14,637,796            | 15,807,117            | 20,492,629            | 25,536,628            |
| Bond issuance costs and fees                            | 176,140               | 1,486,831             | 434,984               | 1,050,341             |
| Total function 70                                       | <u>40,182,154</u>     | <u>43,058,958</u>     | <u>59,225,865</u>     | <u>75,118,411</u>     |
| 81 Facilities acquisition/construction                  | 15,407,928            | 20,168,396            | 54,519,046            | 118,361,627           |
| Total function 80                                       | <u>15,407,928</u>     | <u>20,168,396</u>     | <u>54,519,046</u>     | <u>118,361,627</u>    |
| 93 Payments related to Shared Services Arrangements     | 74,889                | 81,790                | 78,603                | 82,925                |
| 95 Payments to Juvenile Justice Alternative             | 4,824                 | 10,716                | 30,168                | 25,536                |
| 99 Other Intergovernmental Charges                      | 662,918               | 667,640               | 692,137               | 745,631               |
| Total function 90                                       | <u>742,631</u>        | <u>760,146</u>        | <u>800,908</u>        | <u>854,092</u>        |
| Total expenditures                                      | <u>\$ 540,600,911</u> | <u>\$ 581,691,050</u> | <u>\$ 668,957,665</u> | <u>\$ 719,885,395</u> |
| Debt service as a percentage of noncapital expenditures | 7.6%                  | 7.4%                  | 8.9%                  | 12.5%                 |

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

| Fiscal Year    |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 2018           | 2019           | 2020           | 2021           | 2022           | 2023           |
| \$ 311,197,039 | \$ 289,498,626 | \$ 313,376,748 | \$ 332,557,093 | \$ 333,950,073 | \$ 357,540,423 |
| 7,823,749      | 7,217,229      | 8,024,543      | 8,101,282      | 8,037,956      | 8,539,542      |
| 17,104,803     | 14,656,530     | 18,605,901     | 19,906,532     | 18,494,595     | 24,193,337     |
| 336,125,591    | 311,372,385    | 340,007,192    | 360,564,907    | 360,482,624    | 390,273,302    |
| 9,233,263      | 7,525,112      | 8,904,397      | 9,406,788      | 10,268,732     | 13,325,894     |
| 31,796,289     | 27,282,621     | 32,873,981     | 32,935,531     | 34,798,715     | 35,627,821     |
| 41,029,552     | 34,807,733     | 41,778,378     | 42,342,319     | 45,067,447     | 48,953,715     |
| 24,485,165     | 21,300,563     | 24,888,743     | 25,585,408     | 26,682,496     | 28,935,121     |
| 745,589        | 830,424        | 1,198,380      | 890,595        | 889,880        | 983,358        |
| 6,981,160      | 6,280,318      | 7,144,408      | 8,353,605      | 8,385,657      | 8,635,615      |
| 17,567,596     | 12,804,688     | 18,520,848     | 20,589,514     | 23,587,583     | 21,902,000     |
| 29,549,801     | 27,001,019     | 33,679,845     | 24,518,211     | 31,261,239     | 31,625,806     |
| 11,429,637     | 10,809,099     | 10,990,385     | 10,963,157     | 13,434,820     | 14,428,365     |
| 90,758,948     | 79,026,111     | 96,422,609     | 90,900,490     | 104,241,674    | 106,510,265    |
| 15,222,824     | 12,657,677     | 16,007,105     | 16,481,795     | 17,555,931     | 20,067,502     |
| 15,222,824     | 12,657,677     | 16,007,105     | 16,481,795     | 17,555,931     | 20,067,502     |
| 40,824,190     | 32,985,083     | 39,966,515     | 48,359,044     | 42,798,724     | 48,270,507     |
| 9,668,579      | 7,706,790      | 8,733,696      | 7,751,435      | 6,979,083      | 7,632,605      |
| 24,237,927     | 18,426,974     | 18,446,887     | 20,946,771     | 36,252,125     | 18,970,581     |
| 74,730,696     | 59,118,847     | 67,147,098     | 77,057,250     | 86,029,932     | 74,873,693     |
| 2,653,384      | 2,419,362      | 2,329,983      | 2,324,494      | 2,119,405      | 2,554,270      |
| 2,653,384      | 2,419,362      | 2,329,983      | 2,324,494      | 2,119,405      | 2,554,270      |
| 47,726,335     | 41,850,089     | 43,165,629     | 43,557,517     | 42,985,925     | 84,592,657     |
| 26,651,612     | 16,118,574     | 24,383,826     | 22,423,626     | 20,559,389     | 18,598,642     |
| 680,874        | 973,543        | 291,142        | -              | 21,815         | 28,900         |
| 75,058,821     | 58,942,206     | 67,840,597     | 65,981,143     | 63,567,129     | 103,220,199    |
| 127,989,717    | 69,907,342     | 38,591,012     | 9,043,998      | 11,054,863     | 13,154,207     |
| 127,989,717    | 69,907,342     | 38,591,012     | 9,043,998      | 11,054,863     | 13,154,207     |
| 103,090        | 117,609        | 134,796        | 179,365        | 176,895        | 137,800        |
| 15,996         | 10,944         | 28,764         | 7,446          | 30,702         | 58,632         |
| 835,727        | 925,839        | 928,362        | 963,769        | 897,947        | 982,673        |
| 954,813        | 1,054,392      | 1,091,922      | 1,150,580      | 1,105,544      | 1,179,105      |
| \$ 764,524,346 | \$ 629,306,055 | \$ 671,215,896 | \$ 665,846,976 | \$ 691,224,550 | \$ 760,786,258 |
| 12.1%          | 10.4%          | 10.8%          | 10.1%          | 9.4%           | 13.8%          |

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

|                                                 | Fiscal Year         |                       |                        |                      |
|-------------------------------------------------|---------------------|-----------------------|------------------------|----------------------|
|                                                 | 2014                | 2015                  | 2016                   | 2017                 |
| Excess of revenues over<br>(under) expenditures | \$ 2,974,153        | \$ (15,169,206)       | \$ (67,597,541)        | \$ (87,144,227)      |
| Other Financing Sources (Uses)                  |                     |                       |                        |                      |
| Capital related debt issued (Bonds)             |                     | 193,320,000           |                        | 150,250,000          |
| Refunding Bonds Issued                          | 26,725,000          |                       | 40,560,000             |                      |
| Sale of real or personal property               | 247,181             | 265,904               | 371,262                | 377,414              |
| Non-Current Loan Proceeds                       |                     |                       |                        |                      |
| Transfers in                                    | 12,000,000          | 12,880,477            | 9,305,830              | 10,978,893           |
| Premium or Discount on Issuance of Bonds        | 1,574,982           | 16,754,162            | 6,405,364              | 20,810,175           |
| Other Financing Sources - SBITA                 |                     |                       |                        |                      |
| Other Resources                                 | -                   |                       | 21,799                 | 14,483               |
| Insurance Recovery                              | 37,855              |                       |                        |                      |
| Transfers out                                   | (12,000,000)        | (13,000,000)          | (9,243,249)            | (10,978,894)         |
| Payments to refunded bond escrow agents         | (28,920,859)        | (12,767,184)          | (47,261,626)           | -                    |
| Total other financing sources (uses)            | <u>(335,841)</u>    | <u>197,453,359</u>    | <u>159,380</u>         | <u>171,452,071</u>   |
| Extraordinary Item - Insurance Recovery         |                     |                       |                        |                      |
| Net change in fund balances                     | <u>\$ 2,638,312</u> | <u>\$ 182,284,153</u> | <u>\$ (67,438,161)</u> | <u>\$ 84,307,844</u> |

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

| Fiscal Year      |               |                |                 |               |                 |  |
|------------------|---------------|----------------|-----------------|---------------|-----------------|--|
| 2018             | 2019          | 2020           | 2021            | 2022          | 2023            |  |
| \$ (116,449,676) | \$ 19,035,117 | \$ (1,445,926) | \$ (11,396,892) | \$ 32,203,955 | \$ (23,097,368) |  |
| 78,565,000       |               |                |                 |               |                 |  |
|                  | 14,525,000    | 28,420,000     | 47,830,000      | -             | -               |  |
| 551,166          | 1,229,284     | 794,472        | 294,314         | 1,544,245     | 627,859         |  |
| 13,600,000       | 37,284,586    | 20,380,497     | 5,814,949       | 4,317,037     | 18,450,539      |  |
| 11,539,604       | 984,675       | 2,538,455      | 6,685,636       | -             | -               |  |
|                  |               |                |                 |               | 2,231,635       |  |
| -                | 404,544       | 6,170,152      | -               | -             | -               |  |
| (13,623,123)     | (37,284,586)  | (20,380,497)   | (5,814,949)     | (5,317,037)   | (18,830,539)    |  |
| -                | (15,314,836)  | (30,689,533)   | (54,134,959)    | -             | -               |  |
| 90,632,647       | 1,828,667     | 7,233,546      | 674,991         | 544,245       | 2,479,494       |  |
| \$ (25,817,029)  | \$ 20,863,784 | \$ 5,787,620   | \$ (10,721,901) | \$ 32,748,200 | \$ (20,617,874) |  |

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<br>Estimated<br>Taxable Value | Total<br>Direct Rate(1) |
|-------------|-----------------------------|------------------------------|----------------------------------|---------------------|-------------------|-------------------------------------|-------------------------|
|             | Commercial<br>Real Property | Residential<br>Real Property | Business<br>Personal<br>Property | Less:<br>Exemptions |                   |                                     |                         |
| 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                              |                         |
| 2023        | 9,370,575,200               | 24,503,093,160               | 2,963,226,130                    | 7,952,918,775       | 28,883,975,715    | 1.1725                              |                         |

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<br>and<br>Operations    | Debt<br>Service | Total     | City<br>of<br>Garland | Dallas<br>County | City<br>of<br>Rowlett | City<br>of<br>Sachse | City<br>of<br>Dallas | City<br>of<br>Mesquite |
| 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                 |
| 2023        | 0.8546                              | 0.3179          | 1.1725    | 0.7167                | 0.5796           | 0.6810                | 0.6504               | 0.7458               | 0.6581                 |

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               | 2023                    |      |                                            | 2014                   |      |                                            |
|------------------------|-------------------------|------|--------------------------------------------|------------------------|------|--------------------------------------------|
|                        | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| BVfV                   | \$ 300,630,080          | 1    | 1.41%                                      | \$ -                   |      |                                            |
| BMEF                   | 276,500,000             | 2    | 1.29%                                      |                        |      |                                            |
| Kraft Foods/ U S Foods | 197,988,187             | 3    | 0.93%                                      | 83,408,820             | 3    | 0.64%                                      |
| NTT Global             | 136,309,850             | 4    | 0.64%                                      |                        |      |                                            |
| Oboe LLC               | 134,451,210             | 5    | 0.63%                                      |                        |      |                                            |
| Harmony Hill LLC       | 128,025,360             | 6    | 0.60%                                      |                        |      |                                            |
| Walmart/Sams           | 114,965,120             | 7    | 0.54%                                      | 121,317,680            | 2    | 0.93%                                      |
| Oncor                  | 101,621,110             | 8    | 0.48%                                      | 64,782,530             | 5    | 0.50%                                      |
| TX Parkside            | 100,934,010             | 9    | 0.47%                                      |                        |      |                                            |
| Omnient Town Center    | 100,000,000             | 10   | 0.47%                                      |                        |      |                                            |
| Simon Property Group   |                         |      |                                            | 127,036,990            | 1    | 0.97%                                      |
| Verizon/G.T.E.         |                         |      |                                            | 67,925,650             | 4    | 0.52%                                      |
| Sears Roebuck Co.      |                         |      |                                            | 63,684,490             | 6    | 0.49%                                      |
| Landmark at Lakeways   |                         |      |                                            | 56,416,610             | 7    | 0.43%                                      |
| Plastipak Packaging    |                         |      |                                            | 52,948,777             | 8    | 0.41%                                      |
| Engineered Polymer     |                         |      |                                            | 49,711,257             | 9    | 0.38%                                      |
| S S T Truck            |                         |      |                                            | 46,403,250             | 10   | 0.36%                                      |
| Total                  | <u>\$ 1,591,424,927</u> |      | <u>7.46%</u>                               | <u>\$ 733,636,054</u>  |      | <u>5.63%</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<br>Ending | Taxes Levied<br>for the<br>Fiscal Year | Collected Within the Fiscal Year<br>of the Levy |                          | Collections other than<br>Current Year | Total Collections to Date |                              |
|-----------------------|----------------------------------------|-------------------------------------------------|--------------------------|----------------------------------------|---------------------------|------------------------------|
|                       |                                        | Amount (1)                                      | Percentage<br>of<br>Levy | Delinquent<br>Taxes                    | Amount (2)                | Percentage<br>of<br>Levy (3) |
| 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%                   | 917,973                                | 296,054,129               | 99.06%                       |
| 2023                  | 325,740,392                            | 320,851,407                                     | 98.50%                   | -                                      | 320,851,407               | 98.50%                       |

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<br>Ending | Governmental Activities            |                  |            |            | Total<br>Primary<br>Government | Ratio of<br>Debt to<br>Assessed<br>Value | Outstanding<br>Debt<br>Per<br>Capita |
|-----------------------|------------------------------------|------------------|------------|------------|--------------------------------|------------------------------------------|--------------------------------------|
|                       | General<br>Obligation<br>Bonds (2) | Notes<br>Payable | Leases (3) | SBITA      |                                |                                          |                                      |
| 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                                |
| 2023                  | 380,456,448                        | 5,182,134        | 4,882,480  | 13,393,154 | \$ 403,914,216                 | 1.40%                                    | 1,287                                |

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.
- (4) GASB No. 96, SBITA, was implemented in FY 2023. SBITA's prior to FY 2023 were presented in accordance with 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

| <u>Fiscal<br/>Year Ended</u> | <u>General<br/>Obligation<br/>Bonds (1)</u> | <u>Less: Reserve for<br/>Retirement of<br/>Bonded Debt (2)</u> | <u>Total</u> | <u>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value of<br/>Property (3)</u> | <u>Per<br/>Capita (4)</u> |
|------------------------------|---------------------------------------------|----------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------|---------------------------|
| 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                     |
| 2023                         | 380,456,448                                 | 88,907,143                                                     | 291,549,305  | 1.01%                                                                               | 929                       |

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

| <u>Governmental Unit</u>                                           | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable (1)</u> | <u>Estimated<br/>Share of<br/>Direct and<br/>Overlapping<br/>Debt</u> |
|--------------------------------------------------------------------|-----------------------------|----------------------------------------------------|-----------------------------------------------------------------------|
| Direct:                                                            |                             |                                                    |                                                                       |
| Garland Independent School District                                |                             |                                                    |                                                                       |
| General Obligation Bonds                                           | \$ 380,456,448              | 100.00%                                            | \$ 380,456,448                                                        |
| Notes Payable                                                      | 5,182,134                   | 100.00%                                            | 5,182,134                                                             |
| Leases                                                             | <u>13,393,154</u>           | 100.00%                                            | <u>13,393,154</u>                                                     |
| Total Direct Debt                                                  | 399,031,736                 |                                                    | 399,031,736                                                           |
| Overlapping:                                                       |                             |                                                    |                                                                       |
| City of Garland                                                    | 391,320,000                 | 90.98%                                             | 356,022,936                                                           |
| City of Rowlett                                                    | 112,410,000                 | 86.37%                                             | 97,088,517                                                            |
| City of Sachse                                                     | 58,730,000                  | 61.15%                                             | 35,913,395                                                            |
| City of Dallas                                                     | 2,175,175,416               | 0.24%                                              | 5,220,421                                                             |
| City of Mesquite                                                   | 202,820,000                 | 0.07%                                              | 141,974                                                               |
| City of Richardson                                                 | 374,490,000                 | 0.15%                                              | 561,735                                                               |
| City of Wylie                                                      | 63,535,000                  | 2.17%                                              | 1,378,710                                                             |
| Dallas County                                                      | 236,605,000                 | 8.02%                                              | 18,975,721                                                            |
| Dallas County Community College District                           | 375,515,000                 | 8.02%                                              | 30,116,303                                                            |
| Dallas County Hospital District                                    | <u>559,905,000</u>          | 8.02%                                              | <u>44,904,381</u>                                                     |
| Total Overlapping Debt                                             | <u>4,550,505,416</u>        |                                                    | <u>590,324,093</u>                                                    |
| Total Direct and Overlapping Debt                                  | <u>\$ 4,949,537,152</u>     |                                                    | <u>\$ 989,355,829</u>                                                 |
| Taxable Assessed Valuation                                         |                             |                                                    | 28,883,975,715                                                        |
| Ratio of Direct and Overlapping Debt to taxable assessed valuation |                             |                                                    | 3.43%                                                                 |
| Direct and Overlapping Debt per Capita                             |                             |                                                    | \$ 3,387                                                              |

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](http://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<br>Ending | Estimated<br>Population | Personal Income<br>(hundreds of<br>dollars) | Per Capita<br>Personal<br>Income (dollars) | Unemployment<br>Rate |
|------------------|-------------------------|---------------------------------------------|--------------------------------------------|----------------------|
| 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%                 |
| 2023             | 313,777                 | (1)                                         | (1)                                        | 4.1%                 |

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                                          | 2023          |      |                          | 2014          |      |                          |
|---------------------------------------------------|---------------|------|--------------------------|---------------|------|--------------------------|
|                                                   | Employees     | Rank | Percentage of Employment | Employees     | Rank | Percentage of Employment |
| Garland ISD                                       | 7,173         | 1    | 50.29%                   | 7,300         | 1    | 47.10%                   |
| City of Garland                                   | 2,000         | 2    | 14.02%                   | 2,000         | 2    | 12.90%                   |
| Kraft Heinz Company                               | 1,200         | 3    | 8.41%                    |               |      |                          |
| Baylor Scott & White Medical Center - Lake Pointe | 721           | 4    | 5.05%                    |               |      |                          |
| Wal-Mart Super Centers                            | 663           | 5    | 4.65%                    | 1,250         | 4    | 8.06%                    |
| Sherwin Williams / Valspar                        | 540           | 6    | 3.79%                    |               |      |                          |
| City of Rowlett                                   | 521           | 7    | 3.65%                    |               |      |                          |
| US Food Service                                   | 520           | 8    | 3.65%                    | 520           | 6    | 3.35%                    |
| Hatco (Resistal)                                  | 500           | 9    | 3.51%                    |               |      |                          |
| Anderson Windows                                  | 425           | 10   | 2.98%                    |               |      |                          |
| Raytheon                                          |               |      |                          | 1,700         | 3    | 10.97%                   |
| Baylor Medical Center Garland                     |               |      |                          | 1,185         | 5    | 7.65%                    |
| APEX Took Group                                   |               |      |                          | 467           | 7    | 3.01%                    |
| Atlas Copco                                       |               |      |                          | 409           | 8    | 2.64%                    |
| Home Depot                                        |               |      |                          | 339           | 9    | 2.19%                    |
| Karlee                                            |               |      |                          | 330           | 10   | 2.13%                    |
| Total                                             | <u>14,263</u> |      | <u>100.00%</u>           | <u>15,500</u> |      | <u>100.00%</u>           |

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 |                       |                       |                       |
|----------------------------------------------|--------------------------------|-----------------------|-----------------------|-----------------------|
|                                              | 2014                           | 2015                  | 2016                  | 2017                  |
| Teachers                                     | 3,646.8                        | 3,679.1               | 3,664.0               | 3,648.3               |
| Professional Support                         |                                |                       |                       |                       |
| Athletic Trainer                             | 4.8                            | 6.7                   | 8.2                   | 7.2                   |
| Audiologist                                  | 2.0                            | 2.0                   | 2.0                   | 2.0                   |
| Campus Professional Personnel                | 31.3                           | 27.2                  | 26.0                  | 24.6                  |
| Corrective Therapist                         | -                              | -                     | -                     | -                     |
| Counselor                                    | 134.6                          | 140.2                 | 139.3                 | 140.6                 |
| Department Head                              | 12.7                           | -                     | -                     | -                     |
| Educational Diagnostician                    | 56.6                           | 57.8                  | 56.8                  | 54.2                  |
| Librarian                                    | 75.0                           | 72.9                  | 74.8                  | 69.0                  |
| LSSP/Psychologist                            | 8.0                            | 9.0                   | 9.0                   | 9.0                   |
| Musical Therapist                            | 1.0                            | 0.7                   | 1.0                   | 1.0                   |
| Non-Campus Professional Personnel            | 173.3                          | 183.5                 | 197.5                 | 207.1                 |
| Occupational Therapist                       | 10.0                           | 10.0                  | 10.0                  | 10.0                  |
| Orientation/Mobility Instructor              | 2.0                            | 0.9                   | 2.0                   | 2.0                   |
| Physical Therapist                           | 6.0                            | 6.0                   | 6.0                   | 6.0                   |
| Psychological Associate                      | -                              | -                     | -                     | -                     |
| School Nurse                                 | 82.0                           | 82.0                  | 85.0                  | 84.0                  |
| Social Worker                                | 7.0                            | 6.0                   | 7.0                   | 7.0                   |
| Speech Therapist/Speech-Language Pathologist | 52.5                           | 54.6                  | 56.1                  | 56.1                  |
| Teacher Facilitator                          | 107.2                          | 107.4                 | 117.3                 | 127.1                 |
| Visiting Teacher                             | 4.0                            | 4.0                   | 3.0                   | 2.0                   |
| Work-Based Learning Site Coordinator         | 4.3                            | -                     | -                     | -                     |
| Total Professional Support                   | <u>774.3</u>                   | <u>770.9</u>          | <u>801.0</u>          | <u>808.9</u>          |
| Campus Administration                        |                                |                       |                       |                       |
| Assistant Principal                          | 108.9                          | 106.8                 | 116.0                 | 112.9                 |
| Principal                                    | 71.0                           | 71.0                  | 70.1                  | 71.2                  |
| Teacher Supervisor                           | 0.1                            | -                     | -                     | -                     |
| Registrar                                    | 2.0                            | 2.0                   | 2.0                   | 2.0                   |
| Total Campus Administration                  | <u>182.0</u>                   | <u>179.8</u>          | <u>188.1</u>          | <u>186.1</u>          |
| Central Administration                       |                                |                       |                       |                       |
| Assistant/Assoc/Deputy Superintendent        | 5.5                            | 5.5                   | 5.0                   | 3.0                   |
| Instructional Coach                          | -                              | -                     | -                     | -                     |
| District Instructional Program Director      | 19.0                           | 16.0                  | 16.0                  | 13.0                  |
| Superintendent                               | 1.0                            | 1.0                   | 1.0                   | 3.0                   |
| Teacher Supervisor                           | 27.5                           | 27.5                  | 26.8                  | 22.5                  |
| Athletic Director                            | 2.0                            | 2.0                   | 2.0                   | 1.0                   |
| Business Manager                             | 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                   | 2.9                   |
| Total Central Administration                 | <u>61.0</u>                    | <u>58.0</u>           | <u>56.8</u>           | <u>46.4</u>           |
| Educational Aides                            | 516.7                          | 547.2                 | 538.1                 | 552.4                 |
| Auxiliary Staff                              | 2,126.8                        | 2,183.4               | 2,044.7               | 1,997.7               |
| Total All Full Time Equivalent Employees     | <u><u>7,307.6</u></u>          | <u><u>7,418.4</u></u> | <u><u>7,292.7</u></u> | <u><u>7,239.8</u></u> |

Source: District records for the fall PEIMS submission



| Full Time Equivalent Employees |         |         |         |         |         |
|--------------------------------|---------|---------|---------|---------|---------|
| 2018                           | 2019    | 2020    | 2021    | 2022    | 2023    |
| 3,643.9                        | 3,668.2 | 3,594.1 | 3,609.3 | 3,448.1 | 3,476.4 |
| 9.1                            | 7.5     | 7.30    | 8.0     | 14.0    | 11.0    |
| 2.0                            | 2.0     | 2.00    | 2.0     | 2.0     | 2.0     |
| 28.7                           | 32.0    | 33.00   | 30.7    | 29.1    | 35.4    |
| -                              | -       | -       | -       | -       | -       |
| 144.5                          | 144.5   | 154.50  | 159.9   | 157.4   | 155.6   |
| 1.0                            | -       | -       | -       | -       | 1.0     |
| 56.8                           | 56.8    | 54.20   | 55.8    | 54.8    | 53.6    |
| 74.9                           | 76.0    | 75.10   | 75.0    | 67.0    | 68.8    |
| 8.9                            | 9.0     | 9.00    | 9.0     | 8.0     | 6.9     |
| 1.0                            | 1.0     | 1.00    | 1.0     | 1.0     | 1.0     |
| 209.2                          | 212.0   | 222.50  | 223.1   | 249.4   | 244.8   |
| 10.0                           | 11.0    | 10.00   | 11.9    | 12.0    | 12.0    |
| 2.0                            | 2.4     | 2.20    | 2.1     | 2.2     | 1.2     |
| 6.0                            | 6.0     | 6.00    | 5.0     | 5.0     | 5.0     |
| -                              | -       | -       | -       | -       | -       |
| 84.2                           | 85.0    | 83.30   | 86.3    | 86.9    | 87.9    |
| 7.0                            | 7.0     | 3.00    | 2.0     | 2.2     | 1.5     |
| 55.2                           | 56.0    | 53.20   | 55.6    | 51.4    | 53.4    |
| 136.1                          | 141.7   | 134.40  | 160.0   | 129.5   | 178.0   |
| 1.0                            | 1.0     | 1.00    | 2.0     | 2.0     | 2.0     |
| -                              | -       | -       | -       | -       | -       |
| 837.6                          | 850.9   | 851.7   | 889.4   | 873.9   | 921.1   |
| 117.3                          | 117.6   | 115.5   | 115.4   | 115.6   | 117.2   |
| 73.0                           | 72.8    | 73.6    | 70.3    | 71.0    | 71.0    |
| -                              | -       | -       | -       | -       | -       |
| -                              | -       | 2.0     | 2.0     | -       | -       |
| 190.3                          | 190.4   | 191.1   | 187.7   | 186.6   | 188.2   |
| 2.0                            | 3.0     | 3.0     | 4.9     | 4.0     | 4.0     |
| -                              | -       | -       | -       | -       | 18.0    |
| 16.0                           | 14.0    | 12.0    | 12.5    | 10.0    | 10.1    |
| 2.0                            | 3.0     | 3.0     | 1.0     | 2.0     | 3.0     |
| 22.0                           | 22.0    | 21.0    | 22.4    | 22.0    | 23.5    |
| 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     | 1.0     |
| 4.0                            | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     |
| 48.5                           | 47.0    | 44.0    | 45.8    | 43.5    | 63.6    |
| 554.4                          | 571.8   | 553.8   | 569.9   | 577.8   | 629.7   |
| 1,935.8                        | 1,977.9 | 1,950.2 | 1,920.9 | 1,857.0 | 1,894.3 |
| 7,210.5                        | 7,306.2 | 7,184.9 | 7,222.9 | 6,986.9 | 7,173.3 |

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

Exhibit S-19

| Fiscal<br>Year | Enrollment | Operating<br>Expenditures(1) | Cost per<br>Pupil | Percentage<br>Change | Teaching<br>Staff | Pupil-<br>Teacher Ratio | Percentage<br>of Students<br>Receiving<br>Free or<br>Reduced-Price<br>Meals |
|----------------|------------|------------------------------|-------------------|----------------------|-------------------|-------------------------|-----------------------------------------------------------------------------|
| 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%                                                                       |
| 2023           | 52,767     | 528,217,618                  | 10,010            | 6.46%                | 3,476             | 15.2                    | 71.5%                                                                       |

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 |          |          |          |          |          |          |          |           |           |
|----------------------------------------|-------------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
|                                        | 2014        | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022      | 2023      |
| <b>Teachers By Highest Degree Held</b> |             |          |          |          |          |          |          |          |           |           |
| No Degree                              | 0.5%        | 0.4%     | 0.4%     | 0.4%     | 0.6%     | 0.8%     | 0.7%     | 0.8%     | 1.4%      | 0.6%      |
| Bachelors                              | 69.8%       | 69.4%    | 69.5%    | 69.2%    | 68.9%    | 67.6%    | 66.7%    | 66.8%    | 67.4%     | 69.9%     |
| Masters                                | 28.8%       | 29.3%    | 29.3%    | 29.4%    | 29.4%    | 30.6%    | 31.6%    | 31.4%    | 30.1%     | 28.2%     |
| Doctorate                              | 0.9%        | 0.9%     | 0.8%     | 1.1%     | 1.1%     | 1.1%     | 1.0%     | 1.1%     | 1.2%      | 1.3%      |
| <b>Teachers By Years of Experience</b> |             |          |          |          |          |          |          |          |           |           |
| Beginning Teachers                     | 5.3%        | 4.5%     | 5.3%     | 4.9%     | 5.1%     | 4.5%     | 4.1%     | 5.3%     | 5.9%      | 13.8%     |
| 1 - 5 Years of Experience              | 22.9%       | 25.0%    | 27.2%    | 28.3%    | 29.6%    | 29.2%    | 27.2%    | 25.7%    | 24.9%     | 23.1%     |
| 6 - 10 Years of Experience             | 27.9%       | 25.9%    | 23.1%    | 21.4%    | 20.1%    | 19.9%    | 21.2%    | 22.3%    | 23.3%     | 19.9%     |
| 11 - 20 Years of Experience            | 28.8%       | 29.8%    | 30.2%    | 30.7%    | 31.4%    | 32.3%    | 32.9%    | 31.8%    | 30.8%     | 28.2%     |
| Over 20 Years of Experience            | 15.0%       | 14.8%    | 14.2%    | 14.7%    | 13.8%    | 14.2%    | 14.6%    | 15.0%    | 15.1%     | 14.9%     |
| <b>Average Salaries by Experience</b>  |             |          |          |          |          |          |          |          |           |           |
| Beginning Teachers                     | \$48,899    | \$50,150 | \$50,862 | \$52,334 | \$52,304 | \$54,248 | \$54,569 | \$55,538 | \$ 50,358 | \$ 60,960 |
| 1 - 5 Years of Experience              | \$49,232    | \$50,565 | \$52,115 | \$53,263 | \$54,149 | \$54,851 | \$56,593 | \$56,856 | \$ 57,738 | \$ 61,905 |
| 6 - 10 Years of Experience             | \$50,572    | \$51,730 | \$53,299 | \$54,415 | \$55,548 | \$56,337 | \$58,211 | \$58,782 | \$ 60,188 | \$ 63,571 |
| 11 - 20 Years of Experience            | \$52,332    | \$53,729 | \$55,083 | \$56,124 | \$57,223 | \$58,241 | \$60,343 | \$61,464 | \$ 62,654 | \$ 66,337 |
| Over 20 Years of Experience            | \$59,925    | \$61,323 | \$61,984 | \$62,358 | \$63,055 | \$63,806 | \$65,504 | \$65,775 | \$ 66,560 | \$ 70,216 |
| Student Teacher Ratio                  | 15.8        | 15.6     | 15.7     | 15.6     | 15.5     | 15.3     | 15.5     | 14.9     | 15.6      | 15.2      |

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 |        |        |        |        |        |        |        |        |        |
|-------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                     | 2014        | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   |
| <b>Schools:</b>                     |             |        |        |        |        |        |        |        |        |        |
| Elementary                          |             |        |        |        |        |        |        |        |        |        |
| Buildings                           | 47          | 47     | 47     | 47     | 47     | 47     | 47     | 47     | 47     | 47     |
| Enrollment                          | 26,351      | 26,135 | 25,971 | 25,579 | 24,246 | 23,606 | 23,208 | 22,062 | 21,843 | 21,642 |
| Middle                              |             |        |        |        |        |        |        |        |        |        |
| Buildings                           | 12          | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     |
| Enrollment                          | 12,715      | 12,754 | 12,595 | 12,757 | 12,663 | 12,830 | 12,996 | 12,766 | 12,141 | 11,343 |
| High                                |             |        |        |        |        |        |        |        |        |        |
| Buildings                           | 7           | 7      | 7      | 9      | 9      | 9      | 9      | 9      | 9      | 9      |
| Enrollment                          | 16,993      | 17,091 | 17,470 | 17,474 | 17,439 | 17,324 | 17,312 | 17,210 | 17,325 | 17,375 |
| Pre-K                               |             |        |        |        |        |        |        |        |        |        |
| Buildings                           | 2           | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Enrollment                          | 1,217       | 1,098  | 1,132  | 1,086  | 1,924  | 1,950  | 1,900  | 1,664  | 2,093  | 2,107  |
| Other                               |             |        |        |        |        |        |        |        |        |        |
| Buildings                           | 3           | 3      | 3      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Enrollment                          | 340         | 358    | 349    | 133    | 199    | 277    | 285    | 219    | 272    | 300    |
| <b>Student Services</b>             |             |        |        |        |        |        |        |        |        |        |
| 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      |
| <b>Other</b>                        |             |        |        |        |        |        |        |        |        |        |
| 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      |
| <b>Athletics</b>                    |             |        |        |        |        |        |        |        |        |        |
| 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2023.

***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 or significant deficiencies 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Whitley Penn LLP*

Dallas, Texas  
November 14, 2023



**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, 2023. 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, 2023.

***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  
November 14, 2023

GARLAND INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit K-1

| (1)<br>FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM OF CLUSTER TITLE | (2)<br>ASSISTANCE<br>LISTING<br>NUMBER | (3)<br>PASS-THROUGH<br>ENTITY IDENTIFYING<br>NUMBER | TOTAL<br>FEDERAL<br>EXPENDITURES |
|------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------|----------------------------------|
| US Department of Education                                                   |                                        |                                                     |                                  |
| Passed Through State Department of Education                                 |                                        |                                                     |                                  |
| Texas Education for Homeless Children & Youth                                | 84.196A                                | 224600057110030                                     | \$ 18,974                        |
| Texas Education for Homeless Children & Youth                                | 84.196A                                | 234600057110030                                     | 79,081                           |
| Total ALN 84.196A                                                            |                                        |                                                     | <u>98,055</u>                    |
| ESEA Title I Part A - Improving Basic Programs                               | 84.010A                                | 22610101057909                                      | 510,168                          |
| ESEA Title I Part A - Improving Basic Programs                               | 84.010A                                | 23610101057909                                      | 16,676,389                       |
| 2021-2022 School Action Fund - Planning                                      | 84.010A                                | 216101627110019                                     | 20,624                           |
| 2021-2022 School Action Fund - Planning                                      | 84.010A                                | 216101627110020                                     | 9,642                            |
| 2021-2022 School Action Fund - Planning                                      | 84.010A                                | 216101627110021                                     | 9,654                            |
| 2021-2022 School Action Fund - Planning                                      | 84.010A                                | 216101627110022                                     | 22,410                           |
| 2021-2022 School Action Fund - Planning                                      | 84.010A                                | 216101627110023                                     | 15,297                           |
| 2021-2022 School Action Fund - Planning                                      | 84.010A                                | 216101627110024                                     | 19,355                           |
| 2022-2024 School Action Fund - Planning                                      | 84.010A                                | 236101627110009                                     | 105,646                          |
| 2022-2024 School Action Fund - Planning                                      | 84.010A                                | 236101627110010                                     | 154,752                          |
| 2022-2024 School Action Fund - Planning                                      | 84.010A                                | 236101627110011                                     | 117,904                          |
| 2022-2024 School Action Fund - Planning                                      | 84.010A                                | 236101627110012                                     | 263,606                          |
| 2022-2024 School Action Fund - Planning                                      | 84.010A                                | 236101627110013                                     | 127,946                          |
| 2022-2024 School Action Fund - Planning                                      | 84.010A                                | 236101627110014                                     | 178,076                          |
| Total ALN 84.010A                                                            |                                        |                                                     | <u>18,231,469</u>                |
| Special Education Cluster                                                    |                                        |                                                     |                                  |
| IDEA - Part B, Formula                                                       | 84.027A                                | 226600010579096600                                  | 278,455                          |
| IDEA - Part B, Formula                                                       | 84.027A                                | 236600010579096600                                  | 10,091,906                       |
| IDEA - Part B, Formula ARP - COVID-19                                        | 84.027X                                | 225350010579095350                                  | 2,052,775                        |
| IDEA - Part B, Formula ARP - COVID-19                                        | 84.027X                                | 225360020579095360                                  | 88,794                           |
| IDEA - Part B, Preschool                                                     | 84.173A                                | 226610010579096610                                  | 2,106                            |
| IDEA - Part B, Preschool                                                     | 84.173A                                | 236610010579096610                                  | 157,860                          |
| Total Special Education Cluster (84.027A, 84.173A)                           |                                        |                                                     | <u>12,671,896</u>                |
| Vocation Education - Basic Grant                                             | 84.048A                                | 22420006057909                                      | 14,572                           |
| Vocation Education - Basic Grant                                             | 84.048A                                | 23420006057909                                      | 706,115                          |
| Total ALN 84.048A                                                            |                                        |                                                     | <u>720,687</u>                   |
| ESEA Title III, Part A, ELA                                                  | 84.365A                                | 22671001057909                                      | 55,629                           |
| ESEA Title III, Part A, ELA                                                  | 84.365A                                | 23671001057909                                      | 2,569,304                        |
| Total ALN 84.365A                                                            |                                        |                                                     | <u>2,624,933</u>                 |
| ESEA Title II, Part A, Supporting Effective Instruction                      | 84.367A                                | 22694501057909                                      | 95,758                           |
| ESEA Title II, Part A, Supporting Effective Instruction                      | 84.367A                                | 23694501057909                                      | 2,180,812                        |
| Total ALN 84.367A                                                            |                                        |                                                     | <u>2,276,570</u>                 |
| ESEA Title IV, Part A, Subpart 1                                             | 84.424A                                | 23680101057909                                      | 646,328                          |
| Total ALN 84.424A                                                            |                                        |                                                     | <u>646,328</u>                   |
| ESSER GRANT - COVID-19                                                       | 84.425D                                | 20521001057909                                      | 12,173                           |
| CRRSA ESSER GRANT - COVID-19                                                 | 84.425D                                | 21521001057909                                      | 30,244,053                       |
| ARP ESSER III - COVID-19                                                     | 84.425U                                | 21528001057909                                      | 9,358,148                        |
| TCLAS ESSER III HIGH-QUALITY AFTER-SCHOOL - COVID-19                         | 84.425U                                | 215280587110058                                     | 241,448                          |
| TCLAS - ESSER III - COVID-19                                                 | 84.425U                                | 21528042057909                                      | 1,419,210                        |
| ARP ESSER III Homeless I TEHCY Supplemental- COVID-19                        | 84.425U                                | 215280587110058                                     | 18,356                           |
| Total ALN 84.425D                                                            |                                        |                                                     | <u>41,293,388</u>                |
| Summer School LEP                                                            | 84.369A                                | 69552002                                            | 98,891                           |
| COVID-19 School Health Support Grant                                         | 93.323                                 | 39352201                                            | 1,260,764                        |
| Total Passed Through State Department of Education                           |                                        |                                                     | <u>79,922,981</u>                |
| Total US Department of Education                                             |                                        |                                                     | <u>79,922,981</u>                |
| US Department of Health & Human Services                                     |                                        |                                                     |                                  |
| Passed Through Texas Health and Human Services Commission                    |                                        |                                                     |                                  |
| Medicaid Administrative Claiming                                             | 93.778                                 | HHS000537900274                                     | 526,629                          |
| Total Medicaid Cluster (93.778)                                              |                                        |                                                     | <u>526,629</u>                   |
| Human Services Commission                                                    |                                        |                                                     | <u>526,629</u>                   |
| Total US Department of Health and Human Services                             |                                        |                                                     | <u>526,629</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, 2023

Exhibit K-1

| (1)                                                                   | (2)                             | (3)                                          |                                  |
|-----------------------------------------------------------------------|---------------------------------|----------------------------------------------|----------------------------------|
| FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM OF CLUSTER TITLE | ASSISTANCE<br>LISTING<br>NUMBER | PASS-THROUGH<br>ENTITY IDENTIFYING<br>NUMBER | TOTAL<br>FEDERAL<br>EXPENDITURES |
| US Department of Justice                                              |                                 |                                              |                                  |
| Preventing School Violence                                            | 16.839                          | O-BJA-2021-47003                             | 129,070                          |
| Total Federal Communicatons Commission                                |                                 |                                              | <u>129,070</u>                   |
| Total US Department of Justice                                        |                                 |                                              | <u>127,000</u>                   |
| Federal Communications Comission                                      |                                 |                                              |                                  |
| Emergency Connectivity - COVID-19                                     | 32.009                          |                                              | 405,000                          |
| Total Federal Communicatons Commission                                |                                 |                                              | <u>405,000</u>                   |
| US Department of Agriculture                                          |                                 |                                              |                                  |
| Child Nutrition Cluster                                               |                                 |                                              |                                  |
| Passed Through State Department of Education                          |                                 |                                              |                                  |
| School Breakfast Program - Cash Assistance                            | 10.553                          | NT4XL1YGLGC5                                 | 6,205,131                        |
| National School Lunch Program - Cash Assistance                       | 10.555                          | NT4XL1YGLGC5                                 | 22,084,835                       |
| Total Passed Through State Department of Education                    |                                 |                                              | <u>28,289,966</u>                |
| Passed Through State Department of Agriculture                        |                                 |                                              |                                  |
| USDA Donated Commodities - Non-Cash Assistance                        | 10.555                          | NT4XL1YGLGC5                                 | 1,609,556                        |
| Supply Chain Assistance Grant                                         | 10.555                          | NT4XL1YGLGC5                                 | 2,035,137                        |
| NSLP Equipment Assistance Grant                                       | 10.555                          | NT4XL1YGLGC5                                 | 25,600                           |
| Summer Food Service Program - Cash Assistance                         | 10.559                          | NT4XL1YGLGC5                                 | 230,125                          |
| Total Passed Through State Department of Agriculture                  |                                 |                                              | <u>3,900,418</u>                 |
| Total Child Nutrition Cluster (10.553, 10.555, 10.559)                |                                 |                                              | 32,190,384                       |
| COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT)               | 10.649                          | NT4XL1YGLGC5                                 | 5,950                            |
| Child and Adult Care Food Program - Cash Assistance                   | 10.558                          | NT4XL1YGLGC5                                 | 360,021                          |
| Total US Department of Agriculture                                    |                                 |                                              | <u>32,556,355</u>                |
| Total Expenditures of Federal Awards                                  |                                 |                                              | <u>\$ 113,540,035</u>            |

\*\* Total Title IV, Part A funds Transferred to Title I Part A  
See Notes to Schedule of Expenditures of Federal Awards

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, 2023

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, 2023, 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 2023 OMB Compliance Supplement, expenditures of funds should be included in the audit universe and total expenditures of the receiving program. For fiscal year 2023, 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, 2023

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                 | \$ 113,540,035        |
| School Health and Related Services (SHARS)           | 5,363,674             |
| JROTC                                                | 77,138                |
| E-Rate                                               | 125,730               |
| Qualified School Construction Bonds Interest Subsidy | 474,313               |
| Federal Revenues Reported on Exhibit C-2             | <u>\$ 119,580,890</u> |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended June 30, 2023*

**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:**

| <b>Name of Federal Program or Cluster</b>                              | <b>Assistance Listing Number</b> |
|------------------------------------------------------------------------|----------------------------------|
| <b>US Department of Health and Human Services</b>                      |                                  |
| COVID-19 School Health Support Grant                                   | 93.323                           |
| <b>US Department of Education</b>                                      |                                  |
| 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                          |
| ESEA Title I Part A - Improving Basic Programs                         | 84.010A                          |
| School Action Fund - Planning                                          | 84.010A                          |
| 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, 2023**

**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, 2023***

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, 2023***

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