

Fiscal Year Ended June 30, 2024



Annual Comprehensive Financial Report



GISD
Unwatched

THREE CITIES | ONE DISTRICT

Garland Independent School District
Garland, Texas

GARLAND INDEPENDENT SCHOOL DISTRICT
Garland, Texas

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended June 30, 2024

PREPARED BY THE DIVISION OF FINANCE

GARLAND INDEPENDENT SCHOOL DISTRICT

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GARLAND INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



CERTIFICATE OF BOARD

Garland Independent School District

Name of School District

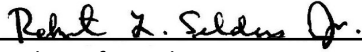
Dallas

County

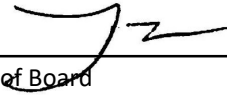
057-909

Co. - Dist. No.

We, the undersigned, certify that the attached Annual Comprehensive Financial Report of the Garland Independent School District for the year ended June 30, 2024, was reviewed and approved at a meeting of the Board of Trustees of the Garland Independent School District on November 19, 2024.



President of Board



Secretary of Board

GARLAND INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS

BOARD OF TRUSTEES

Name	Position	Place	Length of Service	Term Expires	Occupation
Larry Glick	Secretary	1	17 years	May 2025	Tax Attorney
Johnny Beach	Vice President	2	8 years	May 2025	Retired Educator
Linda Griffin	Member	3	26 years	May 2025	Consultant
Daphne Stanley	Member	4	3 years	May 2026	Senior Merchandise Planner
James Miller	Member	5	7 years	May 2026	Executive Vice President/Chief Lending Officer
Robert Selders, Jr.	President	6	9 years	May 2027	Business Owner
Wesley Johnson	Assistant Secretary	7	6 years	May 2027	Attorney

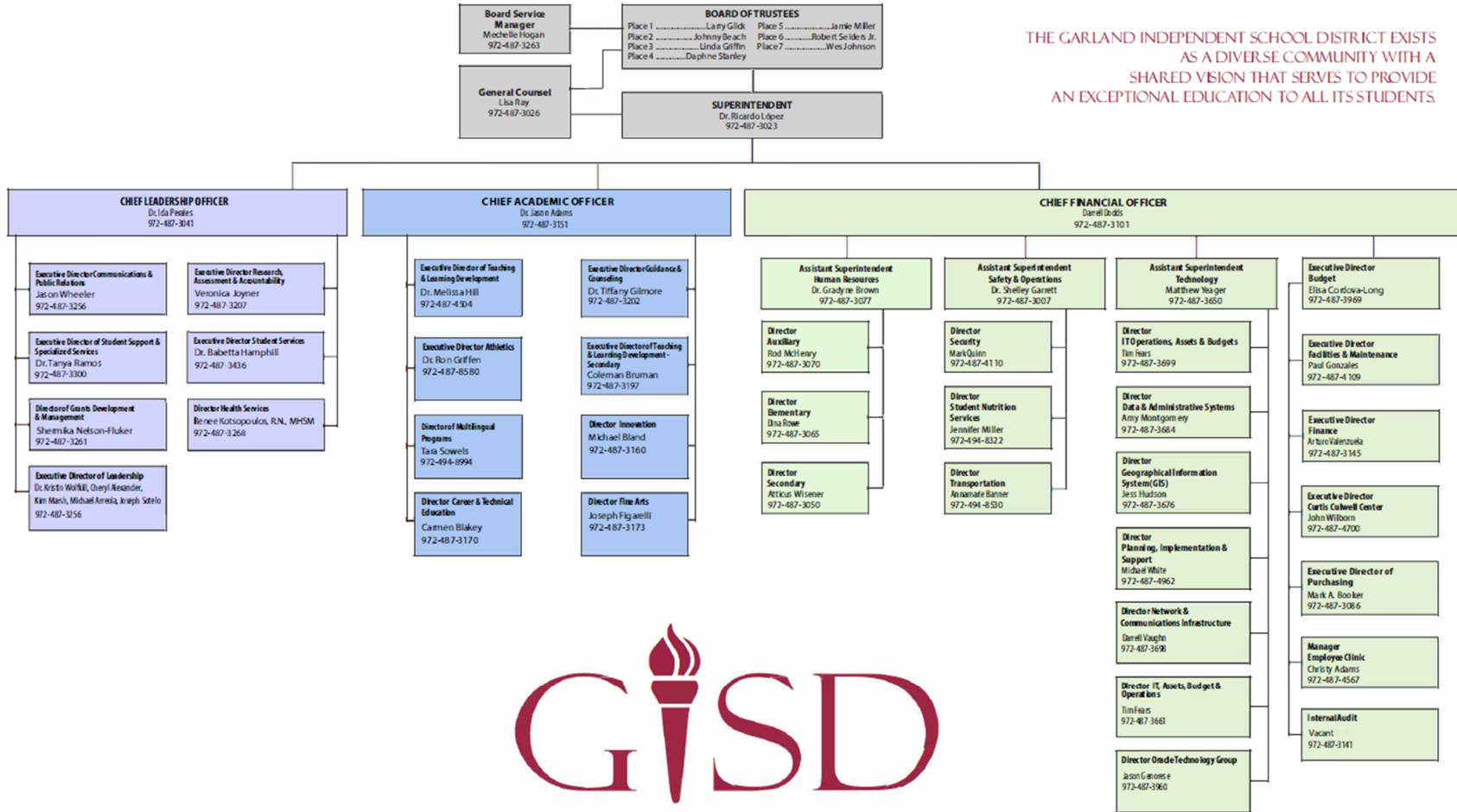
ADMINISTRATIVE OFFICIALS

Name	Position	Length of GISD Service
Dr. Ricardo Lopez	Superintendent	7 years
Dr. Jason Adams	Chief Academic Officer	25 years
Darrell Dodds	Chief Financial Officer	1 year
Dr. Ida Perales	Chief Leadership Officer	5 years
Lisa Ray	General Counsel	6 years
Dr. Gradyne Brown	Assistant Superintendent of Human Resources	23 years
Dr. Shelley Garrett	Assistant Superintendent of Safety and Operations	5 years
Matthew Yeager	Assistant Superintendent of Technology	6 years

**GARLAND INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART**

ORGANIZATIONAL CHART

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



EFFECTIVE AUGUST 8, 2024





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 19, 2024

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, 2024.

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 and Actual - Debt Service Fund, Changes in Fund Balance Budget and Actual - National Breakfast and Lunch Program 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, 2024, 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, 2024, 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 2024, Garland ISD has 71 campuses with an enrollment of 51,659 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 2013-14 and 2023-24 school years.

	<u>2013-14</u>	<u>2023-24</u>
Enrollment	57,616	51,659
African-American	17.2%	18.1%
American Indian	0.4%	0.4%
Asian	8.2%	10.0%
Hispanic	50.8%	54.9%
Pacific Islander	0.1%	0.1%
White	21.2%	13.4%
Two or More	2.0%	3.2%
Economically Disadvantaged	60.8%	69.0%
English Language Learners	23.4%	40.9%
Graduates	3,957	4,073

The District’s total student population decreased over the past 10 years, averaging a loss of 594 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 78 different languages. The most common languages are Spanish, Vietnamese, Amharic, Arabic and Burmese. 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>2013-14</u>	<u>2023-24</u>
Total Staff	7,305	7,353
Teachers	3,647	3,523
Masters or Doctorate	29.8%	29.6%
Average Years of Experience	12	15
Student/Teacher Ratio	15.8	16.7

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>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Certified Market Value	\$35,599,044,760	\$39,956,884,430	\$44,663,163,760
Average Market Value of Residence	\$298,246	\$320,884	\$352,305

The housing environment 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. As of June 2024, the 30-year fixed-rate mortgage stood at 6.86%, a decrease from its November 2023 high of 7.79%. However, it remains high when compared to interest rates over the past decade. Pre-owned home sales continued to slow down during the year as a result of the higher interest rates. Even though pre-owned home sales continue to decrease, builders started 1,060 new homes in Garland ISD during the fourth quarter 2023, this is an increase of 38.7% when compared to the new homes started on the first quarter of 2023. Garland ISD currently ranks 21st in total annual new home closing compared to the other 100 DFW school districts. There are 817 residential lots under development with another 4,369 future lots planned as of December 2023. There are over 5,300 new apartments that are currently in-process or planned in the District. Residential growth is expected to generate 3,460 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 slow decrease over the next five years. As more residential growth occurs in 5-10 years, the moderate expectation for enrollment for it to decrease at an average annual rate of 0.8%.

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 meaningful 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. The legislature will convene for the 89th Regular Session in January 2025.

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, which focused on safety, facility upgrades and infrastructure improvements; Proposition B, for Multi-Program Activity Centers; and Proposition C, for a Technology Device Refresh. The bond program kicked off in the third quarter of 2023 and it is a project that will be reported by the district in the upcoming years.

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	19 years
Elementary Schools	44	45 years
Middle Schools	12	50 years
High Schools	7	48 years
Other Learning Centers	4	47 years

Fund Balance. The unassigned fund balance in the general fund is 35.9% of general fund expenditures and 33.70% of the 2024 adopted general fund budget. This represents 4.3 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 Board of Trustees was named a finalist for the 2024 H-E-B Excellence in Education Award. The Garland ISD School Board was one of five statewide finalists selected for this distinguished achievement. The seven-member Board is responsible for governing the district, making decisions about educational programs, and communicating with the Garland, Rowlett, and Sachse communities. The award is designed to recognize school boards that have demonstrated real leadership in the community based on three criteria: academic/student progress within the district, identification of community needs and specific actions taken based on those needs, and new creative methods for community engagement.

Garland ISD Student Nutrition Services has expanded the Summer Meal Program in summer 2024. In addition to providing breakfast and lunch at selected campuses, meals were also made available at five community sites, and curbside meal pickup was available in Rowlett. Meals were provided on Wednesdays from 6-8 p.m. and Saturdays from 8-10 a.m. from June 19 through July 20. The program allowed families to pick up bundled meals. Any family in the surrounding area was eligible.

The Garland High School Speech and Debate Team is celebrating after competing at the national Speech and Debate Tournament in Des Moines, Iowa. Seven talented students qualified for this year's event, up from just four qualifiers last year. The team competed over six days against 6,000 students from 1,200 schools nationwide, four of the six members brought home awards. In addition to the individual successes, the Garland High School team received the prestigious Speech School of Excellence trophy for placing in the top 20 speech schools in the nation.

Ten Garland ISD schools have been named to the annual Texas Honor Roll, presented by the Educational Results Partnership (ERP). The recognition is part of the Campaign for Business and Education Excellence (CBEE), which honors schools that excel in preparing students for future success. The Texas Honor Roll is a unique program that celebrates high-performing schools in partnership with state and local business leaders. It focuses solely on objective student achievement data, spotlighting successful schools and districts and encouraging educators to collaborate on the best practices for boosting student achievement. Garland ISD's ten Honor Roll stood out for their superior performance on State of Texas Assessments of Academic Readiness (STAAR) in Reading, Language Arts and Math.

Garland ISD has been awarded an inaugural Economic Mobility Award from The Commit Partnership for its work in preparing students for life after graduation. Garland ISD has been recognized for its exceptional performance in 2023 and is one of three recipients of the inaugural award.

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, 2023. 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-fifth 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.

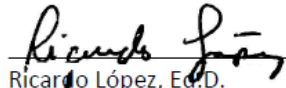
The District was awarded a Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) stating that the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, substantially conformed to the recommended principles and standards of financial reporting adopted by that organization. The District has received the Certificate of Excellence for thirty-sixth 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.

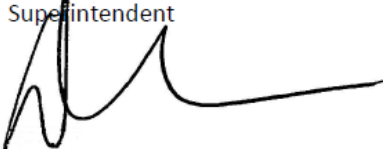
Acknowledgments - The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Division of Finance. We would like to express our appreciation to all members of the department who assisted and contributed.

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.

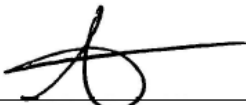
Sincerely,



Ricardo López, Ed.D.
Superintendent



Darrell Dodds
Chief Financial Officer



Arturo Valenzuela, 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, 2023

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, 2023.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Garland Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2024, 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, 2024, 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) compliance 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 compliance 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 section, statistical section, and Schedule L-1 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 19, 2024 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 19, 2024



GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024.

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 \$461,491,241 (net position). Of this amount \$88,214,202 was restricted for specific purposes (i.e. Federal/State grants, Debt Service and Student Nutrition). Unrestricted net position was (\$104,316,763) 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 \$1,300,687,001 which breaks down as follows.

Non-spendable	\$ 2,067,096	0.2%
Restricted	1,062,379,730	81.7%
Committed	10,314,097	0.8%
Assigned	26,109,177	2.0%
Unassigned	199,816,901	15.4%
	<u>\$ 1,300,687,001</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 17-19 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.

GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- **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 governmentwide 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 20-23 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 24-26 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 27-28. 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 29-62 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 64-71 of this report. Combining statements are prepared in connection with internal service funds and are presented immediately following the required supplementary information on pages 76-86 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, 2024, assets and deferred outflow of resources exceeded liabilities and deferred inflows by \$461,491,241.

GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The District's Net Position

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 1,406,407,378	\$ 485,993,249
Capital assets, net of depreciation/amortization	789,087,138	781,767,064
Restricted assets	3,750,000	10,950,000
Total Assets	2,199,244,516	1,278,710,313
Deferred Outflows of Resources		
Deferred charge on refunding	1,448,562	2,369,145
Deferred outflows - pension	86,770,151	77,541,266
Deferred outflows - OPEB	27,930,568	28,052,205
Total Deferred Outflows of Resources	116,149,281	107,962,616
Liabilities		
Non-current liabilities	1,581,486,388	694,412,827
Other liabilities	114,399,375	73,643,854
Total Liabilities	1,695,885,763	768,056,681
Deferred Inflows of Resources		
Deferred inflows - pension	13,582,612	21,403,103
Deferred inflows - OPEB	144,434,181	161,286,509
Total Deferred Inflows of Resources	158,016,793	182,689,612
Net Position		
Net investment in capital assets	480,701,807	428,738,434
Restricted	88,214,202	111,578,260
Unrestricted	(107,424,768)	(104,390,058)
Total Net Position	\$ 461,491,241	\$ 435,926,636

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 2024 and 2023 increased by \$25.6 million. The District's net investment in capital assets is \$480.7 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. The District issued \$891 million in bonds resulting in current and other assets and non-current liabilities increasing by \$920 million and \$887 million, respectively. Of the remaining net position, \$88.2 million are restricted resources subject to external restrictions on how they are used, and (\$103.7) million are unrestricted resources.

The District uses the capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The above table provides a summary of the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position for governmental activities for years ended June 30, 2024 and 2023, respectively.

GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Changes in the District's Net Position

	Governmental Activities	
	2024	2023
Revenues		
Program Revenues:		
Charges for services	\$ 7,813,837	\$ 10,346,086
Operating grants & contributions	162,928,341	121,327,664
General Revenues:		
Property taxes	281,219,168	325,541,650
State grants	305,429,808	227,774,513
Investment earnings	48,504,923	15,700,767
Other	3,517,096	9,927,513
Total Revenues	809,413,173	710,618,193
Expenses		
Instruction	409,186,092	344,259,620
Instructional resources & media service	9,059,956	8,487,030
Curriculum and Staff Development	23,308,045	22,058,677
Instructional Leadership	12,050,172	12,080,850
School Leadership	37,375,118	33,203,007
Guidance, counseling & evaluation	28,783,354	27,249,421
Social Work Services	1,414,741	852,798
Health Services	9,229,713	8,094,188
Student Transportation	24,584,941	22,770,194
Food Service	38,172,224	30,487,660
Extracurricular Activities	16,883,891	16,258,162
General Administration	18,115,539	19,524,991
Plant, Maintenance and Operations	65,446,777	58,623,991
Security and Monitoring Services	11,569,061	7,553,802
Data Processing Services	23,467,786	19,469,150
Community Services	3,214,883	3,173,845
Interest and fiscal charges for long term debt	44,102,253	10,946,790
Bond Issuance Costs and fees	5,132,910	28,900
Facilities Planning	2,108,009	592,688
Payments to fiscal agent of shared services arrangement	43,094	137,800
Payments to Juvenile Justice Alternative Education Program	39,594	58,632
Intergovernmental charges	1,132,671	982,673
Total Expenses	784,420,824	646,894,869
Increase (Decrease) in Net Position	24,992,349	63,723,324
Gain on sale of assets	572,256	627,859
Change in Net Position	25,564,605	64,351,183
Beginning Net Position	435,926,636	371,575,453
Ending Net Position	\$ 461,491,241	\$ 435,926,636

Governmental activities. Governmental activities increased the District's net position by \$25,564,605. The total cost of all *governmental activities* this year was \$784,420,824. The amount our taxpayers paid for these activities through property taxes was \$281,219,168 or 35.9%.

GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 \$1,300,687,001 an increase of \$889,319,775 from last year's fund balance.

Non-spendable - Inventories	\$ 1,979,596	0.2%
Non-spendable - Prepaids	87,500	0.0%
Restricted - grant funds	14,559,028	1.1%
Restricted - capital acquisitions and contractual obligations	953,053,579	73.3%
Restricted - retirement of long-term debt	94,767,123	7.3%
Committed - self-insurance	7,000,000	0.5%
Committed - local special revenue funds	3,314,097	0.3%
Assigned - construction and capital expenditures	26,109,177	2.0%
Unassigned	199,816,901	15.4%
	<u>\$ 1,300,687,001</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 \$199,816,901. 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 35.9% of the total general fund expenditures, while total fund balance represents 37.6% of that same amount.

The general fund's fund balance decreased \$53,636,269 during the current fiscal year. The decrease is primarily due to increased payroll expenditures. Other factors affecting the decrease is due to the transfers out to the capital projects funds to fund construction projects described in Note 8.

The debt service fund has a total fund balance of \$94,767,123 all of which is restricted for the payment of debt service. The increase in debt services fund balance was \$2,077,970. This increase was due the transfer in received from the capital projects fund for scheduled interest payments due August 31, 2024.

The capital projects fund increased its fund balance by \$949,593,961. This increase is due the voters of the District voting to pass the Districts \$1.279 billion bond referendum in May of 2023. During fiscal year 2024 the District issued \$891,435,000 in bonds related to this referendum.

The special revenue fund decreased its fund balance by \$8,715,887. This decrease is primarily due to a \$6,515,838 decrease in fund balance in Student Nutrition Services with increased program related expenditures largely for the purchase of capital assets during the year.

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

Net position of the District's internal service funds at June 30, 2024, amounted to \$8,632,090, an increase of \$239,299. This is due in part to the increase in operating revenues of \$693,040 and a decrease in operating expenditures of \$183,141 by the District.

GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Budgetary Highlights

In June 2023 the Board of Trustees adopted the 2023-24 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

- \$59,021,470 decrease in local revenue to compression of the tax rate.
- \$3,822 increase in local revenue to insurance reimbursement.
- \$239,636 increase in local revenue from tax collections.
- \$1,918,251 increase in state revenue for adjustment on tax increase on homestead of elderly or disabled.
- \$1,607,799 increase in state revenue for Foundation School Program ACT entitlements.
- \$3,387,741 increase in state revenue for Foundation School Program ACT entitlements.
- \$59,021,470 increase in state revenue of certified tax roll to include 65 and over ceiling cap.

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:

- \$5,309,900 transferred out to capital projects for State Energy Conservation Office (SECO) Loan.
- \$3,111,200 transferred out to capital projects to fund the Fine Arts replacement program of old band instruments.
- \$2,000,000 transferred out to capital projects to fund the cleanup and repairs due to the May 2024 storm damage.

There were other financing sources made for adjustments in delinquent taxes, per further review of the other financing source approved, is not necessary as the PEIMS rules will not trigger reporting problems.

- \$3,000,000 transferred for refunds and adjustments over delinquent tax collections.

GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

After appropriations were amended as described above, actual revenues were \$7,914,364 more than final budgeted amounts due to more revenue from local taxes than final budgeted estimates. Actual expenditures were \$35,844,680 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

Expenditures

- \$4,500,000 decrease in food services expenditures due savings from the adopted budget.

Actual revenues were \$473,560 greater than final budgeted amounts due to more revenue in local sources than final budgeted estimates. Actual expenditures were \$4,439,153 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

- \$9,975,335 decrease in local revenue due to funding for debt service revenue for homestead exemption.
- \$6,082,020 increase in state revenue due to funding for debt service revenue loss due to additional homestead exemption.
- \$8,532,780 increase in state revenue due to refunds and adjustments over the delinquent tax collections.
- \$471,994 increase in federal revenue for QSCB subsidy.

Expenditures

- \$68,960,000 increase in function 71 to adjust principal for bond payment.
- \$6,729,367 decrease in function 72 to align interest for bond payment.
- \$8,450,000 increase in function 71 for defeasance of outstanding debt.

After appropriations were amended as described above, actual revenues were \$28,444,654 greater than final budgeted amounts, this was mostly due to a capitalized interest payment received during the December 2023 bond issuance in the amount of \$23,523,505. Actual expenditures were \$3,340,940 less than final budget amounts. The bond principal was less than budgeted due to an anticipated principal payment being a sinking fund payment.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets (net of accumulated depreciation/amortization) for governmental activities was \$789,087,138 and \$781,767,064 as of June 30, 2024 and 2023, respectively. This investment in capital assets includes land, buildings and improvements, furniture and equipment, rights to use assets and SBITAs.

GARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

	Governmental Activities	
	2024	2023
	Amount	Amount
Land	\$ 35,835,595	\$ 35,835,595
Land improvements, net	16,341,135	18,398,983
Construction in progress	56,817,919	24,766,945
Buildings and improvements, net	636,119,077	659,945,064
Furniture and equipment, net	28,574,587	24,694,872
Right-to-use assets, net	15,398,825	18,125,605
Total	\$ 789,087,138	\$ 781,767,064

The increase 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, 2024, the District had total bonded debt outstanding of \$1,111,765,000 an increase of \$766,195,000 from the prior year. This increase is due to scheduled bond payments and new issuances of building bonds for the 2024 year.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Garland stands at 3.7%. Dallas County has a 4.0% unemployment rate as compared to a statewide rate of 4.4% and a national average of 4.4%.
- Inflationary trends in the region tend to be similar to the national consumer price index (CPI). The region's CPI increased 2.4% while the nation experienced a 2.6% increase.
- The District's student attendance rate has historically been approximately 93%.
- The District has appropriated revenues of \$511,378,814 and expenditures of \$600,289,711 in the 2024-25 budget of the General Fund.
- The Debt Service Fund has budgeted revenues of \$127,327,733 and expenditures of \$114,001,267 in the 2024-25 budget.
- The Student Nutrition Services Fund revenue and expenditure budgets for 2024-25 are \$36,500,000 and \$44,268,500, respectively.
- The 2024-25 budget is based on a total property tax rate of \$1.0509 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 2024-25 increased 13.50% 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, 2024

Exhibit A-1

<u>Data Control Codes</u>		<u>Governmental Activities</u>
Assets		
1110	Cash and cash equivalents	\$ 1,276,339,179
1220	Property taxes receivables, net	9,648,865
1230	Allowance for uncollectible taxes	(415,059)
1240	Due from other governments	115,233,991
1290	Other receivables, net	381,444
1300	Inventories	5,131,458
1410	Prepaid items	87,500
1510	Land	35,835,595
1510	Land improvements, net	16,341,135
1520	Buildings and improvements, net	636,119,077
1530	Furniture and equipment, net	28,574,587
1550	Right-to-use assets, net	15,398,825
1580	Construction in progress	56,817,919
1800	Restricted assets	3,750,000
1000	Total Assets	<u>2,199,244,516</u>
Deferred Outflows of Resources		
	Deferred charge on refunding	1,448,562
	Deferred outflows - pension	86,770,151
	Deferred outflows - OPEB	27,930,568
1700	Total Deferred Outflows of Resources	<u>116,149,281</u>
Liabilities		
2110	Accounts payable	26,769,703
2140	Interest payable	23,716,557
2150	Payroll deductions and withholdings	2,180,270
2160	Accrued wages payable	57,279,700
2180	Due to other governments	33,564
2200	Accrued expenses payable	260,480
2300	Unearned revenue	4,159,101
	Noncurrent Liabilities:	
	Due within one year:	
2501	Bonds, notes, leases, SBITAs, claims, compensated absences	59,761,552
	Due in more than one year:	
2502	Bonds, notes, leases, SBITAs, claims, compensated absences	1,204,479,443
2540	Net pension liability	226,453,420
2545	Net OPEB liability	90,791,973
2000	Total Liabilities	<u>1,695,885,763</u>
Deferred Inflows of Resources		
	Deferred inflows - pension	13,582,612
	Deferred inflows - OPEB	144,434,181
2600	Total Deferred Inflows of Resources	<u>158,016,793</u>
Net Position		
3200	Net investment in capital assets	480,701,807
	Restricted for:	
3820	Federal and state programs	14,559,028
3850	Debt service	73,655,174
3900	Unrestricted	(107,424,768)
3000	Total Net Position	<u>\$ 461,491,241</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Governmental Activities:				
11	Instruction	\$ 409,186,092	\$ 1,885,305	\$ 88,625,933
12	Instructional resources & media service	9,059,956	116,496	777,080
13	Curriculum and Staff Development	23,308,045	179,873	12,243,177
21	Instructional Leadership	12,050,172	-	2,516,143
23	School Leadership	37,375,118	305,116	4,098,300
31	Guidance, counseling & evaluation	28,783,354	1,776	3,402,317
32	Social Work Services	1,414,741	-	924,135
33	Health Services	9,229,713	944	3,423,856
34	Student Transportation	24,584,941	-	1,509,847
35	Food Service	38,172,224	3,346,037	33,010,045
36	Extracurricular Activities	16,883,891	1,929,452	250,001
41	General Administration	18,115,539	-	1,187,794
51	Plant, Maintenance and Operations	65,446,777	694	1,310,230
52	Security and Monitoring Services	11,569,061	13,738	370,397
53	Data Processing Services	23,467,786	7,431	6,097,338
61	Community Services	3,214,883	26,975	810,259
72	Interest and fiscal charges for long term debt	44,102,253	-	2,016,995
73	Bond Issuance Costs and fees	5,132,910	-	-
81	Facilities Planning	2,108,009	-	311,400
93	Payments related to shared services arrangements	43,094	-	43,094
95	Payments to Juvenile Justice Alternative Education Program	39,594	-	-
99	Payments to appraisal district	1,132,671	-	-
TG	Total Governmental Activities	\$ 784,420,824	\$ 7,813,837	\$ 162,928,341

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Exhibit B-1
Page 2 of 2

		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Governmental Activities</u>	<u>Total</u>
Data Control Codes	Functions/Programs		
Governmental Activities:			
11	Instruction	\$ (318,674,854)	\$ (318,674,854)
12	Instructional resources & media service	(8,166,380)	(8,166,380)
13	Curriculum and Staff Development	(10,884,995)	(10,884,995)
21	Instructional Leadership	(9,534,029)	(9,534,029)
23	School Leadership	(32,971,702)	(32,971,702)
31	Guidance, counseling & evaluation	(25,379,261)	(25,379,261)
32	Social Work Services	(490,606)	(490,606)
33	Health Services	(5,804,913)	(5,804,913)
34	Student Transportation	(23,075,094)	(23,075,094)
35	Food Service	(1,816,142)	(1,816,142)
36	Extracurricular Activities	(14,704,438)	(14,704,438)
41	General Administration	(16,927,745)	(16,927,745)
51	Plant, Maintenance and Operations	(64,135,853)	(64,135,853)
52	Security and Monitoring Services	(11,184,926)	(11,184,926)
53	Data Processing Services	(17,363,017)	(17,363,017)
61	Community Services	(2,377,649)	(2,377,649)
72	Interest and fiscal charges for long term debt	(42,085,258)	(42,085,258)
73	Bond Issuance Costs and fees	(5,132,910)	(5,132,910)
81	Facilities Planning	(1,796,609)	(1,796,609)
93	Payments related to shared services arrangements	-	-
95	Payments to Juvenile Justice Alternative Education Program	(39,594)	(39,594)
99	Payments to appraisal district	(1,132,671)	(1,132,671)
TG	Total Governmental Activities	<u>(613,678,646)</u>	<u>(613,678,646)</u>
General Revenues:			
Taxes:			
MT	Property taxes, levied for general purposes	178,469,777	178,469,777
DT	Property taxes, levied for debt service	102,749,391	102,749,391
SF	State-aid formula grants - unrestricted	305,429,808	305,429,808
IE	Investment earnings	48,504,923	48,504,923
MI	Miscellaneous	3,517,096	3,517,096
GC	Gain on sale of assets	572,256	572,256
TR	Total General Revenues	<u>639,243,251</u>	<u>639,243,251</u>
CN	Change in net position	25,564,605	25,564,605
NB	Net Position - Beginning	<u>435,926,636</u>	<u>435,926,636</u>
NE	Net Position - Ending	<u>\$ 461,491,241</u>	<u>\$ 461,491,241</u>

GARLAND INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024**

Data Control Codes		General Fund	Debt Service Fund	Capital Project	Special Revenue Fund	Total Governmental Funds
Assets						
1110	Cash and cash equivalents	\$ 167,543,519	\$ 83,376,185	\$ 991,989,286	\$ 22,033,183	\$ 1,264,942,173
	Receivables:					
1220	Delinquent property taxes receivables	6,679,919	2,968,946	-	-	9,648,865
1230	Allowance for uncollectible taxes (credit)	(346,953)	(68,106)	-	-	(415,059)
1240	Receivables from other governments	65,474,265	7,335,406	-	42,424,320	115,233,991
1260	Due from other funds	33,662,153	-	2,000,000	-	35,662,153
1290	Other receivables	338,773	-	-	-	338,773
1300	Inventories	1,979,596	-	-	3,151,862	5,131,458
1410	Prepaid items	87,500	-	-	-	87,500
1800	Restricted assets	-	3,750,000	-	-	3,750,000
1000	Total Assets	<u>\$ 275,418,772</u>	<u>\$ 97,362,431</u>	<u>\$ 993,989,286</u>	<u>\$ 67,609,365</u>	<u>\$ 1,434,379,854</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
2110	Accounts payable	\$ 7,231,975	\$ -	\$ 14,826,530	\$ 4,362,052	\$ 26,420,557
2150	Payroll deduction and withholdings	2,180,270	-	-	-	2,180,270
2160	Accrued wages payable	51,408,772	-	-	5,978,416	57,387,188
2170	Due to other funds	-	-	-	35,662,153	35,662,153
2180	Due to other governments	33,564	-	-	-	33,564
2200	Accrued expenditures	63,296	-	-	197,184	260,480
2300	Unearned revenue	81,968	-	-	3,536,435	3,618,403
2000	Total Liabilities	<u>60,999,845</u>	<u>-</u>	<u>14,826,530</u>	<u>49,736,240</u>	<u>125,562,615</u>
Deferred Inflows of Resources						
	Unavailable revenue - property taxes	5,534,930	2,595,308	-	-	8,130,238
2600	Total Deferred Inflows of Resources	<u>5,534,930</u>	<u>2,595,308</u>	<u>-</u>	<u>-</u>	<u>8,130,238</u>
Fund Balances:						
Nonspendable :						
3410	Inventories	1,979,596	-	-	-	1,979,596
3430	Prepaid items	87,500	-	-	-	87,500
Restricted:						
3450	Grant funds	-	-	-	14,559,028	14,559,028
3470	Capital acquisitions	-	-	953,053,579	-	953,053,579
3480	Debt service	-	94,767,123	-	-	94,767,123
Committed:						
3540	Self insurance	7,000,000	-	-	-	7,000,000
3545	Local special revenue fund	-	-	-	3,314,097	3,314,097
Assigned:						
3550	Construction repairs, renovations	-	-	26,109,177	-	26,109,177
3600	Unassigned	199,816,901	-	-	-	199,816,901
3000	Total Fund Balances	<u>208,883,997</u>	<u>94,767,123</u>	<u>979,162,756</u>	<u>17,873,125</u>	<u>1,300,687,001</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 275,418,772</u>	<u>\$ 97,362,431</u>	<u>\$ 993,989,286</u>	<u>\$ 67,609,365</u>	<u>\$ 1,434,379,854</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
June 30, 2024

Exhibit C-1R

<u>Data Control Codes</u>		
	Total Fund Balance, Governmental Funds	\$ 1,300,687,001
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation/amortization, where applicable	783,572,093
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	8,130,238
3	Deferred charges on refunding	1,448,562
	Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
4	Deferred outflows - pension related	86,770,151
5	Deferred inflows - pension related	(13,582,612)
6	Deferred outflows - OPEB related	27,930,568
7	Deferred inflows - OPEB related	(144,434,181)
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
8	General obligation bonds	(1,111,765,000)
9	Premiums on issuance	(116,941,243)
10	Note Payable	(4,970,769)
11	Leases Payable	(75,901)
12	SBITA Payable	(10,588,065)
13	Arbitrage Liability	(11,271,308)
14	Accrued interest payable	(23,707,257)
15	Compensated absences	(1,097,733)
16	Net pension liability	(226,453,420)
17	Net OPEB liability	(90,791,973)
18	Addition of Internal Service fund net position	<u>8,632,090</u>
29	Total Net Position - Governmental Activities	<u><u>\$ 461,491,241</u></u>

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit C-2

Data Control Codes		Debt Service			Special Revenue Fund	Total Governmental Funds
		General Fund	Fund	Capital Project		
Revenues						
5700	Local and intermediate sources	\$ 194,590,498	\$ 106,777,274	\$ 29,760,081	\$ 8,991,396	\$ 340,119,249
5800	State program revenues	307,597,273	15,250,869	-	13,089,927	335,938,069
5900	Federal program revenues	10,630,096	476,130	61,508	132,370,302	143,538,036
5020	Total Revenues	512,817,867	122,504,273	29,821,589	154,451,625	819,595,354
Expenditures						
Current:						
0011	Instruction	318,725,506	-	1,491,308	85,518,631	405,735,445
0012	Instruction resources and media services	8,291,601	-	-	672,928	8,964,529
0013	Curriculum and instructional staff development	14,411,033	-	-	9,252,062	23,663,095
0021	Instructional leadership	9,183,820	-	-	3,062,847	12,246,667
0023	School leadership	34,690,142	-	-	3,258,526	37,948,668
0031	Guidance, counseling and evaluation services	26,329,202	-	-	2,751,909	29,081,111
0032	Social work services	506,720	-	-	903,523	1,410,243
0033	Health services	8,913,265	-	-	421,445	9,334,710
0034	Student transportation	21,004,131	-	513,792	1,121,625	22,639,548
0035	Food service	27,674	-	-	43,152,685	43,180,359
0036	Extracurricular activities	12,597,215	-	808,231	2,087,541	15,492,987
0041	General administration	17,944,726	-	-	326,410	18,271,136
0051	Facilities maintenance and operations	53,697,182	-	4,616	261,509	53,963,307
0052	Security and monitoring services	10,396,345	-	-	1,379,624	11,775,969
0053	Data processing services	14,807,222	-	4,690,371	5,920,046	25,417,639
0061	Community services	1,634,777	-	-	755,070	2,389,847
Debt service:						
0071	Principal on long-term debt	1,792,599	125,240,000	-	1,966,637	128,999,236
0072	Interest on long-term debt	-	18,697,672	-	-	18,697,672
0073	Bond issuance costs and fees	-	19,060	5,113,850	-	5,132,910
Capital outlay:						
0081	Facilities acquisition and construction	-	-	33,864,171	311,400	34,175,571
Intergovernmental:						
0093	Payments related to shared services arrangements	-	-	-	43,094	43,094
0095	Payments to Juvenile Justice Alternative Education Program	39,594	-	-	-	39,594
0099	Payments to appraisal district	1,063,997	-	-	-	1,063,997
6030	Total Expenditures	556,056,751	143,956,732	46,486,339	163,167,512	909,667,334
1100	Excess (deficiency) of revenues over (under) expenditures	(43,238,884)	(21,452,459)	(16,664,750)	(8,715,887)	(90,071,980)
Other Financing Sources (Uses)						
7911	Issuance of bonds	-	-	891,435,000	-	891,435,000
7912	Sale of real or personal property	23,715	-	548,541	-	572,256
7914	Issuance of loans	-	-	119,473	-	119,473
7915	Transfers in	-	23,530,429	10,421,100	-	33,951,529
7916	Premium or discount on issuance of bonds	-	-	87,265,026	-	87,265,026
8911	Transfers out	(10,421,100)	-	(23,530,429)	-	(33,951,529)
7080	Total Other Financing Sources (Uses)	(10,397,385)	23,530,429	966,258,711	-	979,391,755
1200	Net change in fund balances	(53,636,269)	2,077,970	949,593,961	(8,715,887)	889,319,775
0100	Fund Balances - Beginning	262,520,266	92,689,153	29,568,795	26,589,012	411,367,226
3000	Fund Balances - Ending	\$ 208,883,997	\$ 94,767,123	\$ 979,162,756	\$ 17,873,125	\$ 1,300,687,001

GARLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Exhibit C-2R

<u>Data</u>		
<u>Control</u>		
<u>Codes</u>		
	Net Change in Fund Balances - Total Governmental Funds (from C-2)	\$ 889,319,775
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
1	Capital outlay	46,105,173
2	Depreciation/amortization	(37,889,923)
	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
3	Earned but unavailable taxes	935,775
	Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
4	Principal paid on bonds	125,240,000
5	Principal paid on leases	243,232
6	Principal paid on SBITAs	2,805,089
7	Principal paid on SECO loan	330,838
	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities and amounts paid to refunding agents are treated as a decrease in long-term liabilities.	
8	Issuance of bonds	(891,435,000)
9	Note issued	(119,473)
10	Increase in arbitrage liability	(11,271,308)
11	Premiums issued on bonds	(87,265,026)
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
12	Accrued interest on long-term debt	(18,042,844)
13	Amortization of deferred (gain)/loss on refunded bonds	(920,583)
14	Amortization of bond premium and discounts	5,210,231
15	Compensated absences	(92,954)
16	Changes in net pension liabilities and related deferred outflows and inflows of resources	(19,761,710)
17	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	21,934,014
18	Internal service funds are used by management to charge the costs of certain activities, such as insurance and workers' compensation, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	<u>239,299</u>
29	Change in Net Position of Governmental Activities	<u>\$ 25,564,605</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

Exhibit D-1

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Assets	
Current Assets:	
Cash and cash equivalents	\$ 11,397,006
Other receivables	42,671
Total Current Assets	<u>11,439,677</u>
Non-Current Assets:	
Capital Assets:	
Land improvements	251,316
Building and improvements	699,235
Furniture and equipment	4,382,132
Right to use asset - equipment	5,001,199
Construction in progress	212,327
Accumulated depreciation - other land improvements	(169,049)
Accumulated depreciation - building and improvements	(236,560)
Accumulated depreciation - furniture and equipment	(3,347,804)
Accumulated amortization - right to use equipment	(1,277,751)
Total Non-Current Assets	<u>5,515,045</u>
Total Assets	<u>\$ 16,954,722</u>
Liabilities and Net Position	
Liabilities	
Current Liabilities:	
Accounts payable	\$ 349,146
Interest payable	9,300
Accrued wages payable	6,545
Unearned revenue	540,698
Total Current Liabilities	<u>905,689</u>
Non-Current Liabilities:	
Due within one year:	
Claims payable	2,188,027
Lease payable	869,035
Due in more than one year:	
Claims liability long term	1,508,952
Lease payable	2,850,929
Total Non-Current Liabilities	<u>7,416,943</u>
Total Liabilities	<u>8,322,632</u>
Net Position	
Net investment in capital assets	1,795,081
Unrestricted net position	6,837,009
Total Net Position	<u>8,632,090</u>
Total Liabilities and Net Position	<u>\$ 16,954,722</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

Exhibit D-2

	<u>Governmental Activities</u>
	<u>Total Internal Service Funds</u>
Operating Revenues	
Local and intermediate sources	\$ 9,088,086
Total Operating Revenues	<u>9,088,086</u>
Operating Expenses	
Payroll costs	2,211,663
Purchased and contracted services	2,557,388
Supplies and materials	833,885
Other operating costs	1,912,999
Depreciation/Amortization	1,209,596
Total Operating Expenses	<u>8,725,531</u>
Operating Income (Loss)	<u>362,555</u>
Non-Operating Revenues (Expenses)	
Interest on leases	<u>(123,256)</u>
Total Non-Operating Revenues (Expenses)	<u>(123,256)</u>
Change in Net Position	239,299
Total Net Position - July 1 (Beginning)	<u>8,392,791</u>
Total Net Position - June 30 (Ending)	<u>\$ 8,632,090</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

Exhibit D-3

	Governmental Activities
	Total Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 5,597,822
Cash received from assessments - other funds	3,378,082
Cash payments to employees for services	(2,347,198)
Cash payments for insurance claims	(1,868,132)
Cash payments to suppliers	(654,654)
Cash payments for other operating expenses	(129,782)
Cash payments for professional and contracted services	(2,501,677)
Net Cash Provided by (Used for) Operating Activities	1,474,461
Cash Flows from Capital Financing Activities:	
Acquisition of capital assets	(314,420)
Lease payments	(843,383)
Lease interest expense	(123,256)
Net Cash Provided by (Used for) Capital Financing Activities	(1,281,059)
Net Increase (Decrease) in Cash and Cash Equivalents	193,402
Cash and Cash Equivalents at Beginning of Year	11,203,604
Cash and Cash Equivalents at End of Year	\$ 11,397,006
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	\$ 362,555
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation/amortization	1,209,596
Change in Assets and Liabilities:	
Decrease (increase) in other receivables	26,611
Increase (decrease) in accounts payable	76,651
Increase (decrease) in interest payable	(2,109)
Increase (decrease) in wages payable	(1,746)
Increase (decrease) in unearned revenue	(112,182)
Increase (decrease) in claims liabilities	(84,915)
Net Cash Provided by (Used for) Operating Activities	\$ 1,474,461

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

Exhibit E-1

	Custodial Funds
	<hr/>
Assets	
Cash and cash equivalents	\$ 938,004
Total Assets	<hr/> 938,004 <hr/>
 Liabilities and Net Position	
Liabilities	
Accounts payable	51,138
Accrued wages payable	12,149
Total Liabilities	<hr/> 63,287 <hr/>
 Net Position	
Restricted for student and other activities	874,717
Total Net Position	<hr/> 874,717 <hr/>
 Total Liabilities and Net Position	 <hr/> \$ 938,004 <hr/>

GARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

Exhibit E-2

	<u>Custodial Funds</u>
Additions	
Activity fund revenues	\$ 1,116,884
Total Additions	<u>1,116,884</u>
Deductions	
Activity fund expenses	27,673
Administrative expenses	238,328
Supplies and materials	227,861
Other	494,041
Total Deductions	<u>987,903</u>
Change in Net Position	128,981
Net Position - Beginning	745,736
Net Position - Ending	<u>\$ 874,717</u>

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. If there is a constraint on how the eventual proceeds can be spent, the fund balance is classified to reflect that constraint (restricted, committed, or assigned), rather than included as part of nonspendable fund balance.

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.

Note 1. Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements (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.

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 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.

Note 1. Summary of Significant Accounting Policies (continued)

Proprietary Funds (continued)

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

Fiduciary Funds

Custodial Funds account for monies held for the benefit of student and employee groups, neither of which are held in trust, to which the District provides accounting services. The District does not have administrative or financial involvement and the student and employee groups are not part of the District's financial reporting entity. This accounting reflects the District's fiduciary relationship with the organizations. Fiduciary funds use the accrual basis of accounting to recognize assets and liabilities.

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.

Note 1. Summary of Significant Accounting Policies (continued)

Investments (continued)

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

Property Taxes

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

The tax rates assessed for the fiscal year ended June 30, 2024 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.6692 and \$0.3840 per \$100 valuation, respectively, for a total of \$1.0532 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, 2024, taxes receivable net of estimated uncollectible taxes, aggregated \$6,332,966 and \$2,900,840 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.

Note 1. Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet.

The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports deferred amounts related to pension and OPEB.

Pensions

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

Note 1. Summary of Significant Accounting Policies (continued)

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:

<u>Asset Class</u>	<u>Estimated Useful Lives or Amortization Term</u>
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

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 a 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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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, 2024 will change.

Note 1. Summary of Significant Accounting Policies (continued)

Implementation of New Standards

GASB issued Statement No. 99, *Omnibus 2022*, in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this statement had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The remaining requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, 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. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Implementation Guide 2021-1, *Implementation Guidance Update – 2021*, in May 2021. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. The requirements of this Implementation Guide had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirement, an amendment to Question 7.9.8 in Implementation Guide 2015-1 effective for reporting periods beginning after June 15, 2023, requires governments to capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. The requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Implementation Guide 2023-1, *Implementation Guidance Update – 2023*, in June 2023. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This Implementation Guide amends Implementation Guide No. 2019-3, *Leases*, Question 4.16, and Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, Question 4.13. The requirements of this Implementation Guide are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this Implementation Guide were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

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, 2024, the carrying amount of the District's deposits was \$20,845,486 and the bank balance was \$25,197,791. In addition, the District had various petty cash balances held at different locations amounting to \$18,789.

The District's entire bank balance on June 30, 2024 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.

Note 2. Cash and Investments (continued)

In addition, \$3,750,000 is held in a restricted cash account for the QSCB, Series 2012. These annual deposits plus the interest earned on the reserve accounts will be used to pay off the debt upon maturity in 2031.

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, 2024, the District’s exposure to interest rate risk, as measured by the segmented time distribution by investment type, is summarized below:

	Rating	Carrying Amount/ Fair Value	Investment Maturities in Months		
			Less than 1	1 to 6	7 to 12
TexPool	AAAm	\$ 649,875,375	\$ 649,875,375	\$ -	\$ -
Texas CLASS	AAAm	359,434,931	359,434,931	-	-
Lone Star	AAAm	248,351,602	248,351,602	-	-
US Bank	AA+	2,500,000	2,500,000	-	-
Total Investments		\$ 1,260,161,908	\$ 1,260,161,908	\$ -	\$ -

Investments’ fair value measurements are as follows at June 30, 2024:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
TexPool	\$ 649,875,375	\$ 649,875,375	\$ -	\$ -
Texas CLASS	359,434,931	359,434,931	-	-
Lone Star	248,351,602	248,351,602	-	-
US Bank	2,500,000	-	2,500,000	-
Total Investments	\$ 1,260,161,908	\$ 1,257,661,908	\$ 2,500,000	\$ -

Note 2. Cash and Investments (continued)

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, 2024 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.

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.

Note 2. Cash and Investments (continued)

Lone Star's Government Overnight Fund is Authorized for the Following Investments (continued)

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, 2024, the fund had a weighted average maturity of 52 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.

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, 2024, TexPool had a weighted average maturity of 36 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.

Note 2. Cash and Investments (continued)

Texas CLASS is Authorized for the Following Investments (continued)

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 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.

Note 2. Cash and Investments (continued)

Texas CLASS is Authorized for the Following Investments (continued)

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, 2024, Texas CLASS has a weighted average maturity of 25 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, 2024, are summarized below and are reported on the combined financial statements as Due from Other Governments.

<u>Fund</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Due from the State of Texas	\$ 65,474,265	\$ 7,335,406	\$ 42,272,293	\$ 115,081,964
Due from the Federal Government	-	-	152,027	152,027
Total	\$ 65,474,265	\$ 7,335,406	\$ 42,424,320	\$ 115,233,991

Note 4. Capital Assets

Capital asset activity of the District for the fiscal year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	(Retirements)	Transfers	Balance June 30, 2024
Governmental Activities:					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 35,835,595	\$ -	\$ -	\$ -	\$ 35,835,595
Construction in progress	24,766,945	33,915,900	-	(1,864,926)	56,817,919
Total Capital Assets, Not Being Depreciated/Amortized	60,602,540	33,915,900	-	(1,864,926)	92,653,514
Capital Assets, Being Depreciated/Amortized					
Land improvements	56,916,237	-	-	-	56,916,237
Buildings and improvements	1,093,904,477	863,337	-	171,591	1,094,939,405
Furniture and equipment	155,245,282	11,640,356	-	1,693,335	168,578,973
Right-to-use building	811,826	-	(480,370)	-	331,456
SBITA	16,659,135	-	(1,077,157)	-	15,581,978
Right-to-use - equipment	5,001,199	-	-	-	5,001,199
Total Capital Assets, Being Depreciated/Amortized	1,328,538,156	12,503,693	(1,557,527)	1,864,926	1,341,349,248
Less Accumulated Depreciation/Amortization for:					
Land improvements	(38,517,254)	(2,057,846)	-	-	(40,575,102)
Buildings and improvements	(433,959,413)	(24,860,915)	-	-	(458,820,328)
Furniture and equipment	(130,550,410)	(8,176,225)	-	-	(138,726,635)
Right-to-use - building	(497,023)	(248,512)	480,370	-	(265,165)
SBITA assets	(3,423,615)	(2,904,185)	1,077,157	-	(5,250,643)
Right-to-use - equipment	(425,917)	(851,834)	-	-	(1,277,751)
Total Accumulated Depreciation/Amortization	(607,373,632)	(39,099,517)	1,557,527	-	(644,915,624)
Governmental Activities Capital Assets, Net	\$ 781,767,064	\$ 7,320,076	\$ -	\$ -	\$ 789,087,138

Total Governmental Activities - Capital Assets include cost of assets held in internal service funds and related accumulated depreciation/amortization amounting to and respectively.

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

Governmental Activities		Depreciation/ Amortization Expense
11	Instruction	\$ 12,970,547
12	Instructional resources and media services	413,019
13	Curriculum and staff development	188,759
21	Instructional leadership	143,061
23	School leadership	230,643
31	Guidance, counseling and evaluation services	86,304
32	Social work services	18,542
33	Health services	97,290
34	Student transportation	2,730,077
35	Food Services	1,705,067
36	Cocurricular/Extracurricular activities	2,435,964
41	General administration	390,794
51	Plant maintenance and operations	12,666,841
52	Security and monitoring services	66,763
53	Data processing services	2,862,843
61	Community services	883,407
	Internal Service Fund Depreciation/Amortization	1,209,596
	Total Depreciation/Amortization Expense - Governmental Activities	\$ 39,099,517

Note 4. Capital Assets (continued)

As of June 30, 2024, the District had the following major commitments with respect to unfinished major capital projects.

Project	Approved Construction Project	Remaining Commitment
Fieldhouse and Multi-Program Activity Centers	\$ 240,455,058	\$ 237,389,881
New School Replacement #4	68,060,059	68,060,059
Freeman Elementary Replacement	62,359,683	61,965,477
Elementary Replacement School # 2	62,359,683	61,738,092
New School Replacement # 3	62,359,683	62,359,683
Memorial Pathway Academy Renovation	62,359,683	62,359,683
Lakeview Centennial High School Renovation	48,753,114	48,175,477
LAN/WAN Upgrades 2023	43,130,979	41,731,159
Transportation Center Replacement	40,437,226	40,437,226
South Garland High School Renovation	36,620,011	36,620,011
Baseball/Softball Renovations	35,000,000	20,959,361
Network Operations Center	28,117,716	28,117,716
High School Athletic Package Renovations	28,157,127	28,157,127
Agricultural Science Center	27,102,019	27,102,019
Garland High School Renovation	25,840,519	25,840,519
Totals	\$ 871,112,560	\$ 851,013,490

The calculation of Net Investments in Capital Assets as presented at Exhibit A-1 is as follows:

	Governmental Activities
Capital Assets, Net of Depreciation/Amortization	\$ 789,087,138
Less:	
General obligation bonds	(1,111,765,000)
Premiums	(116,941,243)
Subscriptions payable	(10,588,065)
Leases payable	(3,795,865)
Notes payable	(4,970,769)
Capital related payables	(14,826,530)
Plus:	
Deferred charges on refundings	1,448,562
Unspent bond funds	953,053,579
Net Investment in Capital Assets Per Exhibit A-1	\$ 480,701,807

Note 5. Unearned Revenue

Governmental and internal service funds unearned revenue at June 30, 2024 consisted of the following:

	General Fund	Special Revenue Fund	Internal Service Fund	Total
Food service meals	\$ -	\$ 234,805	\$ -	\$ 234,805
Grants	-	3,301,630	-	3,301,630
Event tickets	-	-	540,698	540,698
Other	81,968	-	-	81,968
Total Unearned Revenue	\$ 81,968	\$ 3,536,435	\$ 540,698	\$ 4,159,101

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, 2024:

	July 1, 2023 Obligations	New Obligations Incurred	Obligations Retired or Transferred	June 30, 2024 Obligations	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 345,570,000	\$ 891,435,000	\$ (125,240,000)	\$ 1,111,765,000	\$ 54,420,000
Issuance premiums	34,886,448	87,265,026	(5,210,231)	116,941,243	-
Notes payable	5,182,134	119,473	(330,838)	4,970,769	419,414
Total Bonds and Notes Payable	385,638,582	978,819,499	(130,781,069)	1,233,677,012	54,839,414
Other Liabilities:					
Arbitrage liability	-	11,271,308	-	11,271,308	-
Net pension liability	189,642,334	36,811,086	-	226,453,420	-
Net OPEB liability	95,995,296	-	(5,203,323)	90,791,973	-
Workers' compensation					
Self-insurance liability	3,781,894	1,783,217	(1,868,132)	3,696,979	2,188,027
Right-to-use lease liability	4,882,480	-	(1,086,615)	3,795,865	934,872
Right-to-use subscription liability	13,393,154	-	(2,805,089)	10,588,065	1,685,207
Compensated absences	1,079,089	631,482	(498,805)	1,211,766	114,032
Total Governmental Activities	\$ 694,412,829	\$ 1,029,316,592	\$ (142,243,033)	\$ 1,581,486,388	\$ 59,761,552

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.

Arbitrage rebate rules, under the Internal Revenue Code Section 148 and related Treasury Regulations, require generally that a tax-exempt bond issuer forward to the federal government any profits made from investing bond proceeds at a yield above the bond yield, when investing in a taxable market. Payments based on cumulative profits earned by bonds are due, in general, every five years. At June 30, 2024, a yield restriction/arbitrage rebate of \$11.3 million was accrued.

Note 6. Long-Term Obligations (continued)

Bonds payable and contractual obligations at June 30, 2024 are composed of the following individual issues:

Description	Interest Rate	Amounts Original Issue	Amounts Outstanding at July 1, 2023	Additions	Retired/ Refunded	Amounts Outstanding at June 30, 2024
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 Bonds - 2014 Matures 2015 - 2024	4.0%	26,725,000	3,595,000	-	(3,595,000)	-
Unlimited Tax Building and Refunding Bonds - 2015A Matures 2016 - 2035	2.0% to 5.0%	185,740,000	139,190,000	-	(8,140,000)	131,050,000
Unlimited Tax Refunding Bonds - 2016 Matures 2020 - 2031	2.5% to 5.0%	40,560,000	27,635,000	-	(2,970,000)	24,665,000
Unlimited Tax School Building Bonds - 2016 Matures 2017 - 2036	2.0% to 5.0%	150,250,000	62,035,000	-	(5,725,000)	56,310,000
Unlimited Tax School Building Bonds - 2018 Matures 2019 - 2038	5.0%	78,565,000	59,445,000	-	(2,730,000)	56,715,000
Unlimited Tax Refunding Bonds - 2019 Matures 2020 - 2029	3.0% to 5.0%	14,525,000	1,445,000	-	(115,000)	1,330,000
Unlimited Tax Refunding Bonds - 2019A Matures 2020 - 2024	5.0%	28,420,000	3,585,000	-	(3,585,000)	-
Unlimited Tax Refunding Bonds - 2020 Matures 2021 - 2028	5.0%	47,830,000	26,020,000	-	(13,165,000)	12,855,000
Unlimited Tax School Building Bonds - 2023 Matures 2024 - 2045	4.0% to 5.0%	145,315,000	-	145,315,000	(75,080,000)	70,235,000
Unlimited Tax School Building Bonds - 2023A Matures 2025 - 2048	5.0%	746,120,000	-	746,120,000	-	746,120,000
Total		<u>\$ 1,486,720,000</u>	<u>\$ 345,570,000</u>	<u>\$ 891,435,000</u>	<u>\$ (125,240,000)</u>	<u>\$ 1,111,765,000</u>

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 2049. At June 30, 2024, \$94,767,123 was available in the Debt Service Fund to service these bonds. Arbitrage rebates are paid from interest earnings of the Capital Projects Fund. Compensated absences are paid from the General Fund.

Note 6. Long-Term Obligations (continued)

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, 2024. The amount of interest recorded on the defeasance was \$1,731,643. The defeasance is composed of the following:

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

The annual requirements to pay principal and interest on the bond obligations outstanding as of June 30, 2024 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2025	\$ 54,420,000	\$ 58,581,270	\$ 113,001,270
2026	59,255,000	50,991,466	110,246,466
2027	36,530,000	48,030,218	84,560,218
2028	42,765,000	46,289,820	89,054,820
2029	44,475,000	44,360,798	88,835,798
2030 - 2034	250,275,000	187,965,598	438,240,598
2035 - 2039	204,215,000	133,161,162	337,376,162
2040 - 2044	218,510,000	83,232,250	301,742,250
2045 - 2049	201,320,000	25,348,250	226,668,250
	<u>\$ 1,111,765,000</u>	<u>\$ 677,960,832</u>	<u>\$ 1,789,725,832</u>

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

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 11 years remaining on the loan.

During 2024 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 0.25% interest rate from the General Fund.

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
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	436,444	31,483	467,927
2030 - 2034	2,248,567	91,069	2,339,636
2035	582,767	4,633	587,400
	<u>\$ 4,970,768</u>	<u>\$ 295,904</u>	<u>\$ 5,266,672</u>

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 \$1,097,733. Of this amount, \$114,033 is recorded in the General Fund in accrued wages for the amount due to retired employees as of June 30, 2024.

Note 8. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2024 arose in the normal course of operations and consisted of the following individual fund receivable and payable balances:

<u>Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Net</u>
Governmental Funds:			
General Fund	\$ 33,662,153	\$ -	\$ 33,662,153
Special Revenue Fund	-	33,662,153	(33,662,153)
	<u>\$ 33,662,153</u>	<u>\$ 33,662,153</u>	<u>\$ -</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, 2024 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 10,421,100
Capital Projects Fund	Debt Service Fund	23,530,429

In the fund financial statements, \$10,421,100 was transferred out of the General Fund to Capital Projects Fund. Of that total \$5,309,900 was related to the HVAC project also funded by the State Energy Conservation Office through a loan, \$3,111,200 was related to equipment needed for the fine arts department to replace old band instruments, and \$2,000,000 was related to repairs for hail damage suffered in campuses during the May 2024 Hail Storm. The \$23,530,429 transfer from the Capital Projects Fund to the Debt Service Fund is for the capitalized interest related to the 2023 bond issuance.

Note 9. Local Revenues - Governmental Funds

Local revenues are comprised of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total
Taxes, penalty & interest	\$ 178,079,628	\$ 102,203,765	\$ -	\$ -	\$ 280,283,393
Investment earning	13,037,410	4,533,491	29,760,081	1,173,941	48,504,923
Other intermediate	448,000	-	-	3,949,209	4,397,209
Tuition and fees	74,080	-	-	36,755	110,835
Rental	399,725	-	-	-	399,725
Insurance recovery	98,680	-	-	-	98,680
Gifts	-	-	-	252,628	252,628
Other	1,703,355	-	-	233,663	1,937,018
Food service	-	-	-	3,345,200	3,345,200
Athletics	749,620	40,018	-	-	789,638
Totals	\$ 194,590,498	\$ 106,777,274	\$ 29,760,081	\$ 8,991,396	\$ 340,119,249

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, 2024, 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 Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 501, 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, 2024, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Health Insurance

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

Note 10. Risk Management (continued)

Health Insurance (continued)

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.

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, 2024, was \$3,696,979 and is recorded as an accrued expenditure in the Risk Management Internal Service Fund.

In fiscal years 2024 and 2023, changes in workers’ compensation claims liability amounts were:

<u>Internal Service Fund</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2023 - Risk Management	\$ 3,334,337	\$ 2,946,527	\$ (2,498,970)	\$ 3,781,894
2024 - Risk Management	3,781,894	1,783,217	(1,868,132)	3,696,979

At June 30, 2024, the District held \$7,407,753 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 at replacement cost. The deductible is \$100,000 per occurrence for property claims except for 3% of total insured value per location for wind and hail claims before 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 for bodily injury and \$100,000 per occurrence for physical damage, 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 \$2,500 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 \$182,653,55. 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.

Note 10. Risk Management (continued)

Property and Liability Insurance (continued)

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 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.

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload 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/Pages/about_publications.aspx, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Note 11. Retirement Plan

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 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.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the TRS actuary.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025.

	Contribution Rates	
	September 1, 2023 to August 31, 2024	September 1, 2022 to August 31, 2023
Member	8.25%	8.00%
Non-employer contributing agency	8.25%	8.00%
Employers	8.25%	8.00%

	Current Fiscal Year Contributions
Employer (District)	\$ 18,956,711
Employee (Member)	35,889,962
Non-employer Contributing Entity On-behalf Contributions (State)	23,341,713

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).

Note 11. Retirement Plan (continued)

Contributions (continued)

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:

- 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.

- All public schools, charter schools, and regional educational service centers must contribute 1.8% of the member’s salary beginning in fiscal year 2023, gradually increasing to 2% in fiscal year 2025.
- 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.

Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2022, rolled forward to August 31, 2023
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	4.13% - 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)	2122
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 methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2022.

Note 11. Retirement Plan (continued)

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of August 31, 2023 are summarized below:

Asset Class	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity ¹	14.00%	7.00%	1.50%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return ¹	0.00%	3.60%	0.00%
Stable Value Hedge Funds	5.00%	4.10%	0.20%
Real Return			
Real Estate	15.00%	4.90%	1.10%
Energy, Natural Resources & Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity	8.00%	4.50%	0.40%
Asset Allocation Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation Expectation			2.30%
Volatility Drag ⁴			-0.90%
Expected Return	100.00%		8.00%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2023 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2023.

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 11. Retirement Plan (continued)

Discount Rate Sensitivity Analysis

The following table presents the District’s proportional share of the Net Pension Liability of the plan using the discount rate of 7.00%, and what the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$ 338,560,404	\$ 226,453,420	\$ 133,236,403

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

At June 30, 2024, the District reported a liability of \$226,453,420 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 proportionate share of the collective net pension liability	\$ 226,453,420
State's proportionate share that is associated with the District	<u>283,531,064</u>
Total	<u><u>\$ 509,984,484</u></u>

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’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, 2022 through August 31, 2023.

On August 31, 2023, the employer’s proportion of the collective net pension liability was 0.3297% which was an increase of 0.0103% from its proportion measured as of August 31, 2022.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$38,551,333. The District also recognized on-behalf pension expense and revenue of \$42,810,738 for support provided by the State.

Note 11. Retirement Plan (continued)

Changes since the Prior Actuarial Valuation (continued)

On June 30, 2024, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,068,612	\$ (2,742,103)
Changes of assumption	21,418,058	(5,241,487)
Net difference between projected and actual earnings on pension plan investments	32,954,470	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,389,018	(5,599,022)
District contributions subsequent to the measurement date	15,939,993	-
Total	<u>\$ 86,770,151</u>	<u>\$ (13,582,612)</u>

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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:

<u>Fiscal Year</u>	<u>Pension Expense</u>	<u>Balance of Deferred Outflows (Inflows)</u>
2025	\$ 11,510,310	\$ 45,737,236
2026	6,325,274	39,411,962
2027	28,607,008	10,804,954
2028	9,414,864	1,390,090
2029	1,390,090	-
	<u>\$ 57,247,546</u>	

The District will continue to make the required pension 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 Liability 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.

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 benefit OPEB plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with 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. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

Note 12. Retiree Health Plan (continued)

OPEB 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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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

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

TRS-Care Monthly Premium Rates				
	Medicare		Non-Medicare	
Retiree or Surviving Spouse	\$	135	\$	200
Retiree and Spouse		529		689
Retiree or Surviving Spouse and Children		468		408
Retiree and Family		1,020		999

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee’s pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	September 1, 2023 to	September 1, 2022 to
	August 31, 2024	August 31, 2023
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

Note 12. Retiree Health Plan (continued)

Contributions (continued)

	Current Fiscal Year
	Contributions
Employer (District)	\$ 3,840,142
Employee (Member)	2,841,842
Non-employer Contributing Entity	
On-behalf Contributions (State)	7,453,175

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total OPEB liability to August 31, 2023. The actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
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	2.95% to 8.95% including inflation
Healthcare Trend Rates	The initial medical trend rates were 7.75% for Medicare retirees and 7.00% for non-Medicare retirees. The initial prescription drug trend was 7.75% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

Note 12. Retiree Health Plan (continued)

Actuarial Assumptions (continued)

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Discount Rate

A single discount rate of 4.13% was used to measure the total OPEB liability. There was an increase of 0.22% in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2023 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (4.13%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (3.13%)	Current Rate (4.13%)	1% Increase (5.13%)
District's proportional share of the net OPEB liability	\$ 106,934,038	\$ 90,791,973	\$ 77,619,665

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

At June 30, 2024, the District reported a liability of \$90,791,973 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 proportionate share of the collective net OPEB liability	\$ 90,791,973
State's proportionate share that is associated with the District	<u>109,554,470</u>
Total	<u><u>\$ 200,346,443</u></u>

The Net OPEB Liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 through August 31, 2023.

At August 31, 2023 the employer’s proportion of the collective Net OPEB Liability was 0.4101% compared to 0.4105% as of August 31, 2022.

Note 12. Retiree Health Plan (continued)

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

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 74,762,646	\$ 90,791,973	\$ 111,413,756

Changes Since the Prior Actuarial Valuation

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

- The single discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2024, the District recognized negative OPEB expense of \$18,140,747. The District also recognized negative on-behalf expense and revenue of \$23,420,433 for support provided by the State.

At June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,107,649	\$ (76,384,247)
Changes of assumption	12,392,442	(55,594,333)
Net difference between projected and actual earnings on OPEB plan investments	39,228	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,184,177	(12,455,601)
District contributions subsequent to the measurement date	3,207,072	-
Total	\$ 27,930,568	\$ (144,434,181)

Note 12. Retiree Health Plan (continued)

Changes of Benefit Terms Since the Prior Measurement Date (continued)

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>OPEB Expense Amount</u>	<u>Balance of Deferred Outflows (Inflows)</u>
2025	\$ (25,697,725)	\$ (94,012,960)
2026	(21,533,512)	(72,479,448)
2027	(15,895,902)	(56,583,546)
2028	(18,797,104)	(37,786,442)
2029	(16,267,147)	(21,519,295)
Thereafter	(21,519,295)	-
	<u>\$ (119,710,685)</u>	

The District will continue to make the required 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 OPEB Liability 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.

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on-behalf of the District were \$2,451,959, \$2,200,963, and \$1,563,074, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

Note 13. Commitments and Contingencies

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

Grant Programs – The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any monies received may be required and the collectability of any related receivable at June 30, 2024 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

The District is under contract for noncancellable lease agreements that convey control of the right to use building and copier equipment. The liabilities outstanding as of June 30, 2024 are as follows:

Description	Term		Interest Rate	Lease Liability		Right to Use Asset		
	Start Date	End Date		Original	Outstanding	Original	Accumulated	Net Amount
				Amount	Balance	Amount	Amortization	
Employee Clinic Building	04/01/22	03/31/25	1.64%	\$ 331,456	\$ 65,836	\$ 331,456	\$ 176,776	\$ 154,680
Copiers	09/01/22	08/31/27	3.00%	5,001,199	3,730,029	5,001,199	1,172,081	3,829,118
				<u>\$ 5,332,655</u>	<u>\$ 3,795,865</u>	<u>\$ 5,332,655</u>	<u>\$ 1,348,857</u>	<u>\$ 3,983,798</u>

The future principal and interest lease payments as of June 30, 2024, were as follows:

Year Ending	Principal	Interest	Totals
June 30, 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	378,514	3,295	371,743
	<u>\$ 3,795,865</u>	<u>\$ 247,094</u>	<u>\$ 4,032,893</u>

Note 15. SBITA Liabilities

The District is under contract for noncancellable SBITAs that convey control of the right to educational software. The SBITA liabilities outstanding as of June 30, 2024 are as follows:

Vendor	Term		Interest Rate	SBITA Liability		SBITA Asset		
	Start Date	End Date		Original	Outstanding	Value of	Accumulated	Net Amount
				Amount	Balance	SBITA Asset	Amortization	
Renaissance Learning Inc	07/01/22	05/25/31	3.00%	\$ 12,038,029	\$ 9,586,585	\$ 12,038,029	\$ 2,700,120	\$ 9,337,909
Amplify Education	07/01/22	08/31/24	3.00%	907,121	71,709	907,121	837,342	69,779
Frontline Technologies eStar	07/01/22	08/31/24	3.00%	329,464	20,898	329,464	304,120	25,344
Frontline Technologies Service Pack	07/01/22	08/31/24	3.00%	882,891	52,715	882,891	814,976	67,915
CDW Google Workspace	12/23/22	12/22/27	3.00%	853,610	595,515	853,610	270,310	583,300
Cities Digital	08/24/22	08/31/27	3.00%	351,688	228,173	351,688	128,953	222,735
RaaWee Inc.	09/27/22	09/26/24	3.00%	219,175	32,470	219,175	194,822	24,353
				<u>\$ 15,581,978</u>	<u>\$ 10,588,065</u>	<u>\$ 15,581,978</u>	<u>\$ 5,250,643</u>	<u>\$ 10,331,335</u>

All amounts paid were previously included in the measurement of the subscription liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any SBITA term and there were no impairment losses related to SBITA assets.

The future principal and interest payments as of June 30, 2024, were as follows:

Year Ending	Principal	Interest	Totals
June 30, 2025	\$ 1,685,207	\$ 292,388	\$ 1,977,595
2026	1,553,265	245,844	1,799,109
2027	1,600,509	198,600	1,799,109
2028	1,463,201	151,755	1,614,956
2029	1,427,451	109,055	1,536,506
3030	1,470,868	65,638	1,536,506
3031	1,387,564	20,900	1,408,464
	<u>\$ 10,588,065</u>	<u>\$ 1,084,180</u>	<u>\$ 11,672,245</u>

REQUIRED SUPPLEMENTARY INFORMATION

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2024

Exhibit G-1

		<u>Budgeted Amounts</u>			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues					
5700	Local revenues	\$ 250,595,728	\$ 191,817,716	\$ 194,590,498	\$ 2,772,782
5800	State program revenues	249,979,254	315,914,515	307,597,273	(8,317,242)
5900	Federal program revenues	13,000,000	13,000,000	10,630,096	(2,369,904)
5020	Total Revenues	<u>513,574,982</u>	<u>520,732,231</u>	<u>512,817,867</u>	<u>(7,914,364)</u>
Expenditures					
Current:					
0011	Instruction	341,690,230	335,807,741	318,725,506	17,082,235
0012	Instructional resources and media services	8,637,004	8,978,381	8,291,601	686,780
0013	Curriculum and staff development	15,023,073	15,198,515	14,411,033	787,482
0021	Instructional leadership	9,398,556	10,300,419	9,183,820	1,116,599
0023	School leadership	34,656,420	36,910,765	34,690,142	2,220,623
0031	Guidance, counseling and evaluation services	28,145,340	28,169,500	26,329,202	1,840,298
0032	Social work services	529,896	562,641	506,720	55,921
0033	Health services	8,905,602	9,455,061	8,913,265	541,796
0034	Student transportation	19,751,821	23,240,051	21,004,131	2,235,920
0035	Food services	300,000	125,000	27,674	97,326
0036	Extracurricular activities	13,334,703	14,239,806	12,597,215	1,642,591
0041	General administration	20,719,368	20,186,457	17,944,726	2,241,731
0051	Facilities maintenance and operations	51,582,367	56,160,739	53,697,182	2,463,557
0052	Security and monitoring services	11,364,841	10,555,740	10,396,345	159,395
0053	Data processing services	15,704,807	16,227,592	14,807,222	1,420,370
0061	Community services	1,772,260	1,776,833	1,634,777	142,056
Debt Service:					
0071	Principal on long-term debt	751,097	2,851,097	1,792,599	1,058,498
Intergovernmental:					
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	36,000	46,000	39,594	6,406
0099	Payments to Appraisal District	1,057,993	1,109,093	1,063,997	45,096
6030	Total Expenditures	<u>583,361,378</u>	<u>591,901,431</u>	<u>556,056,751</u>	<u>35,844,680</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(69,786,396)</u>	<u>(71,169,200)</u>	<u>(43,238,884)</u>	<u>27,930,316</u>
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	23,715	23,715
8911	Transfers out	-	(13,421,100)	(10,421,100)	3,000,000
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(13,421,100)</u>	<u>(10,397,385)</u>	<u>3,023,715</u>
1200	Net change in fund balance	(69,786,396)	(84,590,300)	(53,636,269)	30,954,031
0100	Fund Balance - Beginning	<u>262,520,266</u>	<u>262,520,266</u>	<u>262,520,266</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 192,733,870</u>	<u>\$ 177,929,966</u>	<u>\$ 208,883,997</u>	<u>\$ 30,954,031</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

Budgetary Information

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 National School Lunch and Breakfast Program, 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 yearend 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
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Nine Measurement Years*

Exhibit G-2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.3297%	0.3194%	0.3140%	0.3043%	0.3395%
District's proportionate share of the net pension liability	\$ 226,453,420	\$ 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	283,531,064	248,416,464	122,192,639	262,092,489	252,140,175
Total	\$ 509,984,484	\$ 438,058,798	\$ 202,324,485	\$ 425,078,900	\$ 428,643,990
District's covered payroll (for Measurement Year)	\$ 412,735,903	\$ 384,845,741	\$ 387,363,687	\$ 377,293,999	\$ 368,012,193
District's proportionate share of the net pension liability as a percentage of its covered payroll	54.87%	49.28%	20.69%	43.20%	47.96%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.65%	88.79%	75.54%	75.24%
	<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	\$ 462,745,603	\$ 274,635,455	\$ 330,119,995	\$ 321,624,996	
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 its 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%	

*Schedule should provide ten years of Plan information, but data was unavailable prior to 2015
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.

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Ten Fiscal Years

Exhibit G-3

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 18,956,711	\$ 16,602,650	\$ 14,715,978	\$ 13,329,913	\$ 12,355,875
Contributions in relation to the					
contractually required contributions	<u>18,956,711</u>	<u>16,602,650</u>	<u>14,715,978</u>	<u>13,329,913</u>	<u>12,355,875</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 437,201,564	\$ 407,673,204	\$ 385,010,955	\$ 385,003,791	\$ 376,867,068
Contributions as a percentage of					
covered payroll	4.34%	4.07%	3.82%	3.46%	3.28%
	<u>2019*</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 9,843,028	\$ 11,569,823	\$ 10,831,873	\$ 10,403,722	\$ 9,926,491
Contributions in relation to the					
contractually required contributions	<u>9,843,028</u>	<u>11,569,823</u>	<u>10,831,873</u>	<u>10,403,722</u>	<u>9,926,491</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 303,878,167	\$ 358,144,722	\$ 349,184,036	\$ 344,899,599	\$ 335,610,114
Contributions as a percentage of					
covered payroll	3.24%	3.23%	3.10%	3.02%	2.96%

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

* For the ten months ended June 30, 2019.

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION

Changes of Assumptions

Measurement Year 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.

Measurement Year 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.

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

Measurement Year 2022: The discount rate changed from 7.25% to 7.00%.

Measurement Year 2023: None.

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Six Measurement Years*

Exhibit G-4

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net OPEB liability	0.4101%	0.4009%	0.4105%
District's proportionate share of the net OPEB liability	\$ 90,791,973	\$ 95,995,296	\$ 158,355,733
State's proportionate share of the net OPEB liability associated with the District	<u>109,554,470</u>	<u>117,099,180</u>	<u>212,161,395</u>
Total	<u>\$ 200,346,443</u>	<u>\$ 213,094,476</u>	<u>\$ 370,517,128</u>
District's covered payroll (for Measurement Year)	\$ 412,735,903	\$ 384,845,741	\$ 387,363,687
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	22.00%	24.94%	40.88%
Plan fiduciary net position as a percentage of the total OPEB liability**	14.94%	11.52%	6.18%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.4125%	0.4322%	0.4330%
District's proportionate share of the net OPEB liability	\$ 156,820,871	\$ 204,393,433	\$ 216,200,422
State's proportionate share of the net OPEB liability associated with the District	<u>210,729,659</u>	<u>271,593,152</u>	<u>303,753,062</u>
Total	<u>\$ 367,550,530</u>	<u>\$ 475,986,585</u>	<u>\$ 519,953,484</u>
District's covered payroll (for Measurement Year)	\$ 377,293,999	\$ 368,013,193	\$ 358,144,722
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	41.56%	55.54%	60.37%
Plan fiduciary net position as a percentage of the total OPEB liability**	4.99%	2.66%	1.57%

*Schedule should provide ten years of Plan information, but data was unavailable prior to 2018

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.

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Six Fiscal Years*

Exhibit G-5

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contributions	\$ 3,840,142	\$ 3,530,292	\$ 3,444,189
Contributions in relation to the contractually required contributions	<u>3,840,142</u>	<u>3,530,292</u>	<u>3,444,189</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 437,201,564	\$ 407,673,204	\$ 385,010,955
Contributions as a percentage of covered payroll	0.88%	0.87%	0.89%
	<u>2021</u>	<u>2020</u>	<u>2019**</u>
Contractually required contributions	\$ 3,194,942	\$ 3,119,673	\$ 2,546,976
Contributions in relation to the contractually required contributions	<u>3,194,942</u>	<u>3,119,673</u>	<u>2,546,976</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 385,003,791	\$ 376,867,068	\$ 303,878,167
Contributions as a percentage of covered payroll	0.83%	0.83%	0.84%

* Schedule should provide ten years of Plan information, but data was unavailable prior to 2019

**For the ten months ended June 30, 2019

GARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB

Changes of Assumptions

Measurement Year 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.

Measurement Year 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.

Measurement Year 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.

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

Measurement Year 2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lowered the participation rates, and updated the healthcare trend rate assumption.

Measurement Year 2023: The discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



Proprietary Funds

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one

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, 2024

Exhibit H-1
Page 1 of 2

		751	752	753	756
Data Control Codes		Motor Pool	Print Shop fund	Risk Management	Copier Pool
Assets					
Current Assets:					
1110	Cash and cash equivalents	\$ 123,197	\$ 1,438,492	\$ 7,407,753	\$ 436,247
1290	Other receivables	-	35,249	-	-
Total Current Assets		<u>123,197</u>	<u>1,473,741</u>	<u>7,407,753</u>	<u>436,247</u>
Noncurrent Assets:					
Capital Assets:					
1510	Land improvements	-	-	-	-
1520	Buildings and building improvements	-	-	7,720	-
1539	Furniture and Equipment	418,237	1,677,935	113,184	-
1552	Right to use asset - equipment	-	-	-	5,001,199
1580	Construction in progress	-	-	-	-
1570	Accumulated depreciation - other land improvements	-	-	-	-
1571	Accumulated depreciation - building and improvements	-	-	(7,720)	-
1573	Accumulated depreciation - furniture and equipment	(418,237)	(1,572,261)	(113,184)	-
1576	Accumulated amortization - right to use equipment	-	-	-	(1,277,751)
Total Noncurrent Assets		<u>-</u>	<u>105,674</u>	<u>-</u>	<u>3,723,448</u>
1000	Total Assets	<u>\$ 123,197</u>	<u>\$ 1,579,415</u>	<u>\$ 7,407,753</u>	<u>\$ 4,159,695</u>
Liabilities:					
Current Liabilities:					
2110	Accounts payable	-	26,628	19,230	8,167
2140	Interest payable	-	-	-	9,300
2160	Accrued wages payable	-	-	-	-
2310	Unearned revenue	-	-	-	-
Total Current Liabilities		<u>-</u>	<u>26,628</u>	<u>19,230</u>	<u>17,467</u>
Noncurrent Liabilities:					
Due within one year:					
2123	Claims payable	-	-	2,188,027	-
2130	Lease payable	-	-	-	869,035
Due in more than one year:					
2590	Claims liability long term	-	-	1,508,952	-
2531	Lease payable	-	-	-	2,850,929
Total Noncurrent Liabilities		<u>-</u>	<u>-</u>	<u>3,696,979</u>	<u>3,719,964</u>
2000	Total Liabilities	<u>-</u>	<u>26,628</u>	<u>3,716,209</u>	<u>3,737,431</u>
Net Position:					
3200	Net investment in capital assets	-	105,674	-	3,484
3900	Unrestricted net position	123,197	1,447,113	3,691,544	418,780
3000	Total Net Position	<u>123,197</u>	<u>1,552,787</u>	<u>3,691,544</u>	<u>422,264</u>
4000	Total Liabilities and Net Position	<u>\$ 123,197</u>	<u>\$ 1,579,415</u>	<u>\$ 7,407,753</u>	<u>\$ 4,159,695</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2024

Exhibit H-1
Page 2 of 2

		757	
Data Control		Curtis Culwell	Total Internal
Codes		Center	Service Funds
	Assets		
	Current Assets:		
1110	Cash and cash equivalents	\$ 1,991,317	\$ 11,397,006
1290	Other receivables	7,422	42,671
	Total Current Assets	<u>1,998,739</u>	<u>11,439,677</u>
	Noncurrent Assets:		
	Capital Assets:		
1510	Land improvements	251,316	251,316
1520	Buildings and building improvements	691,515	699,235
1539	Furniture and Equipment	2,172,776	4,382,132
1552	Right to use asset - equipment	-	5,001,199
1580	Construction in progress	212,327	212,327
1570	Accumulated depreciation - other land improvements	(169,049)	(169,049)
1571	Accumulated depreciation - building and improvements	(228,840)	(236,560)
1576	Accumulated depreciation - furniture and equipment	(1,244,122)	(3,347,804)
1573	Accumulated amortization - right to use equipment	-	(1,277,751)
	Total Noncurrent Assets	<u>1,685,923</u>	<u>5,515,045</u>
1000	Total Assets	<u>\$ 3,684,662</u>	<u>\$ 16,954,722</u>
	Liabilities:		
	Current Liabilities:		
2110	Accounts payable	295,121	349,146
2140	Interest payable	-	9,300
2160	Accrued wages payable	6,545	6,545
2310	Unearned revenue	540,698	540,698
	Total Current Liabilities	<u>842,364</u>	<u>905,689</u>
	Noncurrent Liabilities:		
	Due within one year:		
2123	Claims payable	-	2,188,027
2130	Lease payable	-	869,035
	Due in more than one year:		
2590	Claims liability long term	-	1,508,952
2531	Lease payable	-	2,850,929
	Total Noncurrent Liabilities	<u>-</u>	<u>7,416,943</u>
2000	Total Liabilities	<u>842,364</u>	<u>8,322,632</u>
	Net Position:		
3200	Net investment in capital assets	1,685,923	1,795,081
3900	Unrestricted net position	1,156,375	6,837,009
3000	Total Net Position	<u>2,842,298</u>	<u>8,632,090</u>
4000	Total Liabilities and Net Position	<u>\$ 3,684,662</u>	<u>\$ 16,954,722</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

Exhibit H-2
Page 1 of 2

Data	751	752	753	756
Control	Motor Pool	Print Shop fund	Risk Management	Copier Pool
Operating Revenues				
5700 Local and intermediate sources	\$ 42,250	\$ 788,862	\$ 2,589,220	\$ 1,101,066
5020 Total Operating Revenues	<u>42,250</u>	<u>788,862</u>	<u>2,589,220</u>	<u>1,101,066</u>
Operating Expenses				
6100 Payroll costs	-	228,108	467,214	-
6200 Professional and contracted services	-	180,787	119,043	133,789
6300 Supplies and materials	29,314	365,128	39,171	-
6400 Other operating costs	-	400	1,783,217	-
6500 Depreciation/amortization	-	51,778	-	851,834
Total Operating Expenses	<u>29,314</u>	<u>826,201</u>	<u>2,408,645</u>	<u>985,623</u>
1200 Operating Income (Loss)	<u>12,936</u>	<u>(37,339)</u>	<u>180,575</u>	<u>115,443</u>
Non-Operating Revenues (Expenses)				
6522 Interest on Lease	-	-	-	(123,256)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,256)</u>
1200 Change in Net Position	12,936	(37,339)	180,575	(7,813)
0100 Net Position - Beginning	<u>110,261</u>	<u>1,590,126</u>	<u>3,510,969</u>	<u>430,077</u>
3300 Net Position - Ending	<u>\$ 123,197</u>	<u>\$ 1,552,787</u>	<u>\$ 3,691,544</u>	<u>\$ 422,264</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

<u>Data Control</u>	<u>757 Curtis Culwell Center</u>	<u>Total Internal Service Funds</u>
Operating Revenues		
5700 Local and intermediate sources	\$ 4,566,688	\$ 9,088,086
5020 Total Operating Revenues	<u>4,566,688</u>	<u>9,088,086</u>
Operating Expenses		
6100 Payroll costs	1,516,341	2,211,663
6200 Professional and contracted services	2,123,769	2,557,388
6300 Supplies and materials	400,272	833,885
6400 Other operating costs	129,382	1,912,999
6500 Depreciation/amortization	305,984	1,209,596
Total Operating Expenses	<u>4,475,748</u>	<u>8,725,531</u>
1200 Operating Income (Loss)	<u>90,940</u>	<u>362,555</u>
Non-Operating Revenues (Expenses)		
6522 Interest on Lease	-	(123,256)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(123,256)</u>
1200 Change in Net Position	90,940	239,299
0100 Net Position - Beginning	<u>2,751,358</u>	<u>8,392,791</u>
3300 Net Position - Ending	<u>\$ 2,842,298</u>	<u>\$ 8,632,090</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

Exhibit H-3
Page 1 of 2

	751	752	753	756
	Motor Pool	Print Shop fund	Risk Management	Copier Pool
Cash Flows from Operating Activities:				
Cash received from user charges	\$ 42,250	\$ -	\$ -	\$ 1,101,066
Cash received from assessments - other funds	-	788,862	2,589,220	-
Cash payments to employees for services	-	(228,108)	(467,214)	(133,789)
Cash payments for insurance claims	-	-	(1,868,132)	-
Cash payments to suppliers	(29,314)	(314,381)	(21,394)	-
Cash payments for other operating expenses	-	(400)	-	-
Cash payments for professional and contracted services	-	(180,787)	(119,043)	(78,078)
Net Cash Provided by (Used for) Operating Activities	<u>12,936</u>	<u>65,186</u>	<u>113,437</u>	<u>889,199</u>
Cash Flows from Capital Financing Activities:				
Acquisition of capital assets	-	-	-	-
Lease payments	-	-	-	(843,383)
Lease interest expense	-	-	-	(123,256)
Net Cash Provided by (Used for) Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(966,639)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,936	65,186	113,437	(77,440)
Cash and Cash Equivalents at Beginning of Year	<u>110,261</u>	<u>1,373,306</u>	<u>7,294,316</u>	<u>513,687</u>
Cash and Cash Equivalents at End of Year	<u>\$ 123,197</u>	<u>\$ 1,438,492</u>	<u>\$ 7,407,753</u>	<u>\$ 436,247</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 12,936	\$ (37,339)	\$ 180,575	\$ 115,443
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/amortization	-	51,778	-	851,834
Change in Assets and Liabilities:				
Decrease (increase) in other receivables	-	34,033	-	-
Increase (decrease) in accounts payable	-	16,714	17,777	(75,969)
Increase (decrease) in interest payable	-	-	-	(2,109)
Increase (decrease) in wages payable	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-
Increase (decrease) in claims liabilities	-	-	(84,915)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 12,936</u>	<u>\$ 65,186</u>	<u>\$ 113,437</u>	<u>\$ 889,199</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

	757	
	Curtis Culwell	Total Internal
	Center	Service Funds
	<u> </u>	<u> </u>
Cash Flows from Operating Activities:		
Cash received from user charges	\$ 4,454,506	\$ 5,597,822
Cash received from assessments - other funds	-	3,378,082
Cash payments to employees for services	(1,518,087)	(2,347,198)
Cash payments for insurance claims	-	(1,868,132)
Cash payments to suppliers	(289,565)	(654,654)
Cash payments for other operating expenses	(129,382)	(129,782)
Cash payments for professional and contracted services	(2,123,769)	(2,501,677)
Net Cash Provided by (Used for) Operating Activities	<u>393,703</u>	<u>1,474,461</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(314,420)	(314,420)
Lease payments	-	(843,383)
Lease interest expense	-	(123,256)
Net Cash Provided by (Used for) Capital Financing Activities	<u>(314,420)</u>	<u>(1,281,059)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	79,283	193,402
Cash and Cash Equivalents at Beginning of Year	<u>1,912,034</u>	<u>11,203,604</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,991,317</u>	<u>\$ 11,397,006</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ 90,940	\$ 362,555
Adjustments to Reconcile Operating Income (Loss) to Net		
Cash Provided by (Used for) Operating Activities:		
Depreciation/amortization	305,984	1,209,596
Change in Assets and Liabilities:		
Decrease (increase) in other receivables	(7,422)	26,611
Increase (decrease) in accounts payable	118,129	76,651
Increase (decrease) in interest payable	-	(2,109)
Increase (decrease) in wages payable	(1,746)	(1,746)
Increase (decrease) in unearned revenue	(112,182)	(112,182)
Increase (decrease) in claims liabilities	-	(84,915)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 393,703</u>	<u>\$ 1,474,461</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 FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2024

Exhibit H-4

	Student Activity Fund	Other Activity Funds	Total Custodial Funds
Assets			
Cash and cash equivalents	\$ 656,560	\$ 281,444	\$ 938,004
Total Assets	<u>656,560</u>	<u>281,444</u>	<u>938,004</u>
Liabilities and Net Position			
Liabilities			
Accounts payable	38,471	12,667	51,138
Accrued wages payable	-	12,149	12,149
Total Liabilities	<u>38,471</u>	<u>24,816</u>	<u>63,287</u>
Net Position			
Restricted for student and other activities	618,089	256,628	874,717
Total Net Position	<u>618,089</u>	<u>256,628</u>	<u>874,717</u>
Total Liabilities and Net Position	<u>\$ 656,560</u>	<u>\$ 281,444</u>	<u>\$ 938,004</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-5

	<u>Student Activity Funds</u>	<u>Other Activity Funds</u>	<u>Total Custodial Funds</u>
Additions			
Activity fund revenues	\$ 827,361	\$ 289,523	\$ 1,116,884
Total Additions	<u>827,361</u>	<u>289,523</u>	<u>1,116,884</u>
Deductions			
Activity fund expenses	-	27,673	27,673
Administrative expenses	143,759	94,569	238,328
Supplies and materials	212,625	15,236	227,861
Other	354,743	139,298	494,041
Total Deductions	<u>711,127</u>	<u>276,776</u>	<u>987,903</u>
Change in net position	116,234	12,747	128,981
Net Position - Beginning	501,855	243,881	745,736
Net Position - Ending	<u>\$ 618,089</u>	<u>\$ 256,628</u>	<u>\$ 874,717</u>

COMPLIANCE SCHEDULES

Other Financial Information includes various schedules required by the Texas Education Agency that are not required disclosures in the Annual Comprehensive Financial Report.

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2024

Last Ten Fiscal Years	1		2	3	10	20
	Tax Rates		Debt Service	Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 07/01/23	Current Year's Total Levy
	Maintenance					
2015 and prior	Various		Various	Various	\$ 967,470	\$ -
2016	\$ 1.0400	\$	0.3133	14,001,530,407	124,179	-
2017	1.0400		0.4200	15,362,186,673	139,062	-
2018	1.0400		0.4200	17,823,103,077	167,831	-
2019	1.0400		0.4200	19,701,949,552	237,648	-
2020	0.9700		0.4200	21,361,636,951	482,805	-
2021	0.9513		0.3050	23,585,754,912	604,019	-
2022	0.9384		0.3179	24,565,242,897	1,106,348	-
2023	0.8546		0.3179	28,883,975,715	4,972,255	-
2024 ¹	0.6692		0.3840	26,872,808,204	-	283,024,416
1000 Totals					<u>\$ 8,801,617</u>	<u>\$ 283,024,416</u>

8000 Taxes Refunded

¹In accordance with Texas Tax Code, Section 11.26, qualifying property owners aged 65 years or older may benefit from a tax ceiling on their property values. Once the exemption is applied, the taxable assessed value of eligible properties is effectively “frozen” at the level in the year the exemption is granted, limiting future increases in assessed value for taxation purposes. This tax ceiling results in a reduction of the net assessed/appraised value for the district, as eligible properties do not contribute to value increases that typically occur due to market appreciation or revaluation efforts. The impact of this exemption is reflected in the net assessed value reported, which is reduced by approximately \$2,157,495,282 in the current year due to this tax ceiling provision.

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2024

	31	32	40	50	99
Last Ten Fiscal Years	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 06/30/24	Total Taxes Refunded Under Section 26.1115(c)
2015 and prior	\$ 54,218	\$ 10,475	\$ (53,070)	\$ 849,707	
2016	5,351	1,612	(1,915)	115,301	
2017	7,096	2,866	(1,880)	127,220	
2018	14,229	5,746	(4,005)	143,851	
2019	26,456	10,684	(7,055)	193,453	
2020	42,110	18,233	(172,254)	250,208	
2021	97,739	31,336	(10,021)	464,923	
2022	81,454	27,595	(320,388)	676,911	
2023	(272,196)	(101,254)	(3,699,452)	1,646,253	
2024	<u>176,804,579</u>	<u>101,453,858</u>	<u>-</u>	<u>4,765,979</u>	
1000 Totals	<u>\$ 176,861,036</u>	<u>\$ 101,461,151</u>	<u>\$ (4,270,040)</u>	<u>\$ 9,233,806</u>	
8000 Taxes Refunded					<u>\$ 208,225</u>

¹In accordance with Texas Tax Code, Section 11.26, qualifying property owners aged 65 years or older may benefit from a tax ceiling on their property values. Once the exemption is applied, the taxable assessed value of eligible properties is effectively "frozen" at the level in the year the exemption is granted, limiting future increases in assessed value for taxation purposes. This tax ceiling results in a reduction of the net assessed/appraised value for the district, as eligible properties do not contribute to value increases that typically occur due to market appreciation or revaluation efforts. The impact of this exemption is reflected in the net assessed value reported, which is reduced by approximately \$2,157,495,282 in the current year due to this tax ceiling provision.

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
For the Year Ended June 30, 2024

Exhibit J-2

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Local, intermediate, and out-of-state	\$ 112,415,978	\$102,440,643	\$ 106,777,274	\$ 4,336,631
State program revenues	-	14,614,800	15,250,869	636,069
Federal Program Revenues	1,415,094	471,994	476,130	4,136
Total Revenues	113,831,072	117,527,437	122,504,273	4,976,836
Expenditures				
Current:				
Debt Service:				
Principal on long-term debt	49,080,000	126,490,000	125,240,000	1,250,000
Interest on long-term debt	25,427,045	18,697,678	18,697,672	6
Bond issuance costs and fees	1,000,000	11,000,000	19,060	10,980,940
Total Expenditures	75,507,045	156,187,678	143,956,732	12,230,946
Excess (deficiency) of revenues over (under) expenditures	38,324,027	(38,660,241)	(21,452,459)	17,207,782
Other Financing Sources (Uses)				
Transfers In	-	-	23,530,429	23,530,429
Payment to refunded bonds escrow agent	-	(1,110,000)	-	1,110,000
Total Other Financing Sources (Uses)	-	(1,110,000)	23,530,429	24,640,429
Net Change in Fund Balance	38,324,027	(39,770,241)	2,077,970	41,848,211
Fund Balance - Beginning	92,689,153	92,689,153	92,689,153	-
Fund Balance - Ending	\$ 131,013,180	\$ 52,918,912	\$ 94,767,123	\$ 41,848,211

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
For the Year Ended June 30, 2024

Exhibit J-3

	<u>Budget</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local, intermediate, and out-of-state	\$ 7,035,000	\$ 7,035,000	\$ 4,522,759	\$ (2,512,241)
State program revenues	170,000	170,000	160,094	(9,906)
Federal Program revenues	28,957,408	28,957,408	31,953,115	2,995,707
Total Revenues	<u>36,162,408</u>	<u>36,162,408</u>	<u>36,635,968</u>	<u>473,560</u>
Expenditures				
Current:				
Food service	44,051,701	48,551,701	43,151,806	5,399,895
Total Expenditures	<u>44,051,701</u>	<u>48,551,701</u>	<u>43,151,806</u>	<u>5,399,895</u>
Net Change in Fund Balance	(7,889,293)	(12,389,293)	(6,515,838)	5,873,455
Fund Balance - Beginning	<u>20,280,410</u>	<u>20,280,410</u>	<u>20,280,410</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 12,391,117</u>	<u>\$ 7,891,117</u>	<u>\$ 13,764,572</u>	<u>\$ 5,873,455</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES
For the Year Ended June 30, 2024

Exhibit J-4

Data Codes	Section A: Compensatory Education Programs	Responses
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.	\$ 55,010,695
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 34,033,063
Section B: Bilingual Education Programs		
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.	\$ 13,038,815
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 7,107,876

STATISTICAL SECTION



GARLAND INDEPENDENT SCHOOL DISTRICT
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.

	<u>Page</u>
Financial Trends	96
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
Revenue Capacity	110
These schedules contain information to help the reader assess the government’s most significant local revenue source, property taxes.	
Debt Capacity	114
These schedules present information to help the reader assess the affordability of the government’s ability to issue additional debt in the future.	
Demographic and Economic Information	118
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	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
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-1
Page 1 of 2

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental Activities					
Net investment in capital assets	\$ 480,701,807	\$ 428,738,434	\$ 361,452,377	\$ 344,843,626	\$ 352,783,669
Restricted					
Food Service	13,764,884	20,280,410	15,150,395	3,861,592	7,588,492
Debt Service	73,655,174	88,907,143	86,051,888	71,019,364	64,641,353
Grant Funds	794,144	2,390,707	4,637,366	326,321	1,648,765
Unrestricted	(107,424,768)	(104,390,058)	(95,716,573)	(125,598,808)	(125,543,118)
Total Governmental Activities Net Position	<u>\$ 461,491,241</u>	<u>\$ 435,926,636</u>	<u>\$ 371,575,453</u>	<u>\$ 294,452,095</u>	<u>\$ 301,119,161</u>
Business-Type Activities:					
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-
Total Business-Type Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government:					
Net investment in capital assets	\$ 480,701,807	\$ 428,738,434	\$ 361,452,377	\$ 344,843,626	\$ 352,783,669
Restricted					
Food Service	13,764,884	20,280,410	15,150,395	3,861,592	7,588,492
Debt Service	73,655,174	88,907,143	86,051,888	71,019,364	64,641,353
Grant Funds	794,144	2,390,707	4,637,366	326,321	1,648,765
Unrestricted	(107,424,768)	(104,390,058)	(95,716,573)	(125,598,808)	(125,543,118)
Total Primary Government Net Position	<u>\$ 461,491,241</u>	<u>\$ 435,926,636</u>	<u>\$ 371,575,453</u>	<u>\$ 294,452,095</u>	<u>\$ 301,119,161</u>

Source of Information: District Financial Statements

(1) GASB Statement No. 75, *Other Post Employment Benefits*, was implemented in FY 2018, resulting in a deficit unrestricted net position.

GARLAND INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-1
Page 2 of 2

	<u>2019</u>	<u>2018 ⁽¹⁾</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities					
Net investment in capital assets	\$ 339,849,519	\$ 291,998,041	\$ 230,598,662	\$ 186,102,148	\$ 173,975,555
Restricted					
Food Service	13,250,762	10,265,688	6,624,529	4,543,133	2,753,549
Debt Service	42,716,002	22,490,186	13,172,040	8,043,823	9,556,908
Grant Funds	1,728,391	14,140,160	17,492,426	11,563,497	3,926,659
Unrestricted	<u>(135,726,703)</u>	<u>(177,634,686)</u>	<u>88,318,803</u>	<u>90,509,434</u>	<u>104,414,137</u>
Total Governmental Activities Net Position	<u>\$ 261,817,971</u>	<u>\$ 161,259,389</u>	<u>\$ 356,206,460</u>	<u>\$ 300,762,035</u>	<u>\$ 294,626,808</u>
Business-Type Activities:					
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 6,445
Unrestricted	-	-	-	-	(6,661)
Total Business-Type Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (216)</u>
Primary Government:					
Net investment in capital assets	\$ 339,849,519	\$ 291,998,041	\$ 230,598,662	\$ 186,102,148	\$ 173,982,000
Restricted					
Food Service	13,250,762	10,265,688	6,624,529	4,543,133	2,753,549
Debt Service	42,716,002	22,490,186	13,172,040	8,043,823	9,556,908
Grant Funds	1,728,391	14,140,160	17,492,426	11,563,497	3,926,659
Unrestricted	<u>(135,726,703)</u>	<u>(177,634,686)</u>	<u>88,318,803</u>	<u>90,509,434</u>	<u>104,407,476</u>
Total Primary Government Net Position	<u>\$ 261,817,971</u>	<u>\$ 161,259,389</u>	<u>\$ 356,206,460</u>	<u>\$ 300,762,035</u>	<u>\$ 294,626,592</u>

Source of Information: District Financial Statements

(1) GASB Statement No. 75, *Other Post Employment Benefits*, was implemented in FY 2018, resulting in a deficit unrestricted net position.

GARLAND INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-2
Page 1 of 2

	2024	2023	2022	2021	2020
Expenses					
Governmental Activities:					
Instruction	\$ 409,186,092	\$ 344,259,620	\$ 317,418,795	\$ 369,188,755	\$ 358,104,960
Instructional Resources and Media Services	9,059,956	8,487,030	7,980,212	9,072,406	9,157,876
Curriculum and Instructional Staff Development	23,308,045	22,058,677	16,481,755	21,989,875	20,666,755
Instructional Leadership	12,050,172	12,080,850	9,355,818	10,519,666	10,023,316
School Leadership	37,375,118	33,203,007	32,252,551	35,831,035	36,632,987
Guidance, Counseling, and Evaluation Services	28,783,354	27,249,421	24,836,588	27,513,261	27,630,458
Social Work Services	1,414,741	852,798	759,241	1,019,642	1,247,338
Health Services	9,229,713	8,094,188	7,810,094	8,993,248	7,931,437
Student Transportation	24,584,941	22,770,194	22,384,920	20,286,452	19,181,850
Food Services	38,172,224	30,487,660	29,564,837	27,247,110	33,165,956
Cocurricular/Extracurricular Activities	16,883,891	16,258,162	15,286,225	13,408,253	13,774,426
General Administration	18,115,539	19,524,991	16,676,471	17,617,058	17,326,424
Facilities Maintenance and Operations	65,446,777	58,623,991	54,552,442	60,144,444	43,253,497
Security and Monitoring Services	11,569,061	7,553,802	6,883,742	7,933,703	8,820,570
Data Processing Services	23,467,786	19,469,150	38,757,440	27,680,360	19,680,574
Community Services	3,214,883	3,173,845	2,754,483	3,442,178	3,552,435
Interest on Long- term Debt	44,102,253	10,946,790	16,146,467	18,387,683	21,321,564
Bond Issuance Costs and Fees	5,132,910	28,900	21,814	-	291,142
Facilities Repair and Maintenance	2,108,009	592,688	541,822	16,257	166,576
Payments Related to Shared Service Arrangements	43,094	137,800	176,895	179,365	134,796
Payments to Juvenile Justice Alternative Ed. Program	39,594	58,632	30,702	7,446	28,764
Intergovernmental Charges	1,132,671	982,673	897,947	963,769	928,362
Total Governmental Activities Expenses	784,420,824	646,894,869	621,571,261	681,441,966	653,022,063
Business-Type Activities:					
Concessions	-	-	-	-	-
Total Primary Government Expenses	784,420,824	646,894,869	621,571,261	681,441,966	653,022,063
Program Revenues					
Governmental Activities:					
Charges for Services:					
Instruction	1,885,305	168,737	185,304	97,175	710,330
Food Services	3,346,037	4,968,582	1,948,410	774,760	4,687,943
Cocurricular/Extracurricular Activities	1,929,452	4,796,141	3,965,199	1,037,409	3,508,725
Plant Maintenance and Operations	653,043	412,626	350,428	168,180	121,935
Operating Grants and Contributions	162,928,341	121,327,664	134,922,344	135,181,539	121,875,947
Total Primary Government Governmental Activities	170,742,178	131,673,750	141,371,685	137,259,063	130,904,880
Program Revenues	170,742,178	131,673,750	141,371,685	137,259,063	130,904,880
Business-Type Activities:					
Charges for Services:					
Concessions	-	-	-	-	-
Total Business- Type Activities Program Revenues	-	-	-	-	-
Total Primary Government Program Revenues	170,742,178	131,673,750	141,371,685	137,259,063	130,904,880
Net (Expense) / Revenue					
Total Primary Government Net Expense	\$ (613,678,646)	\$ (515,221,119)	\$ (480,199,576)	\$ (544,182,903)	\$ (522,117,183)

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

GARLAND INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-2
Page 2 of 2

	2019	2018	2017	2016	2015
Expenses					
Governmental Activities:					
Instruction	\$ 328,115,753	\$ 207,916,878	\$ 319,232,860	\$ 326,193,632	\$ 302,936,954
Instructional Resources and Media Services	8,207,096	6,073,555	8,397,550	8,476,668	8,240,779
Curriculum and Instructional Staff Development	16,034,427	12,133,420	15,833,458	15,289,822	13,966,276
Instructional Leadership	8,474,957	6,132,427	9,239,512	9,404,380	9,476,390
School Leadership	30,139,683	21,293,586	31,663,652	31,430,176	29,359,186
Guidance, Counseling, and Evaluation Services	23,382,685	16,606,572	23,589,312	23,134,956	21,727,176
Social Work Services	871,175	595,506	800,029	1,057,374	1,253,128
Health Services	6,964,692	4,573,637	6,893,327	6,867,464	6,545,294
Student Transportation	15,440,622	14,983,937	15,456,729	15,154,555	13,717,097
Food Services	29,264,833	27,716,685	31,390,062	31,575,592	32,701,421
Cocurricular/Extracurricular Activities	13,093,002	12,441,464	9,046,761	10,327,317	9,077,240
General Administration	13,725,592	11,846,283	16,081,858	15,353,186	15,338,293
Facilities Maintenance and Operations	42,209,307	37,334,029	38,997,523	40,912,661	39,578,630
Security and Monitoring Services	7,776,293	5,961,321	5,970,986	6,318,189	4,348,891
Data Processing Services	19,561,761	13,282,338	21,610,633	40,659,486	24,346,683
Community Services	3,393,311	2,623,819	3,939,824	4,063,974	3,462,272
Interest on Long- term Debt	18,848,982	22,796,188	22,221,597	18,083,049	13,571,186
Bond Issuance Costs and Fees	197,174	680,874	1,050,341	434,984	1,486,831
Facilities Repair and Maintenance	131,639	929,320	19,131	1,984,797	1,605,080
Payments Related to Shared Service Arrangements	117,609	103,090	82,925	78,603	81,790
Payments to Juvenile Justice Alternative Ed. Program	10,944	15,996	25,536	30,168	10,716
Intergovernmental Charges	925,839	835,727	745,631	692,137	667,640
Total Governmental Activities Expenses	586,887,376	426,876,652	582,289,237	607,523,170	553,498,953
Business-Type Activities:					
Concessions	-	-	-	213	282,724
Total Primary Government Expenses	586,887,376	426,876,652	582,289,237	607,523,383	553,781,677
Program Revenues					
Governmental Activities:					
Charges for Services:					
Instruction	1,004,136	1,078,595	797,456	477,147	419,763
Food Services	5,907,159	7,105,515	7,194,211	7,729,332	9,272,764
Cocurricular/Extracurricular Activities	4,656,066	4,744,058	4,752,685	4,974,632	4,292,064
Plant Maintenance and Operations	145,580	152,110	329,971	209,727	184,070
Operating Grants and Contributions	112,798,531	1,262,569	111,116,480	114,478,252	98,476,190
Total Primary Government Governmental Activities	124,511,472	14,342,847	124,190,803	127,869,090	112,644,851
Program Revenues	124,511,472	14,342,847	124,190,803	127,869,090	112,644,851
Business-Type Activities:					
Charges for Services:					
Concessions	-	-	-	-	271,241
Total Business- Type Activities Program Revenues	-	-	-	-	271,241
Total Primary Government Program Revenues	124,511,472	14,342,847	124,190,803	127,869,090	112,916,092
Net (Expense) / Revenue					
Total Primary Government Net Expense	\$ (462,375,904)	\$ (412,533,805)	\$ (458,098,434)	\$ (479,654,293)	\$ (440,865,585)

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

GARLAND INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-3
Page 1 of 2

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Expense					
Governmental activities:	\$ (613,678,646)	\$ (515,221,119)	\$ (480,199,576)	\$ (544,182,903)	\$ (522,117,183)
Business- type activities:	-	-	-	-	-
Total Net Expense	<u>\$ (613,678,646)</u>	<u>\$ (515,221,119)</u>	<u>\$ (480,199,576)</u>	<u>\$ (544,182,903)</u>	<u>\$ (522,117,183)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes, Levied for General Purposes	\$ 178,469,777	\$ 237,293,135	\$ 223,608,648	\$ 214,437,931	\$ 199,764,239
Property Taxes, Levied for Debt Service	102,749,391	88,248,515	75,753,284	68,918,356	86,252,334
State Aid Formula Grants	305,429,808	227,774,513	244,406,171	262,806,481	264,547,309
Grants and Contributions Not Restricted to Specific Prog.	-	8,033,656	7,337,809	3,713,285	1,963,128
Investment Earnings	48,504,923	15,700,767	159,053	368,376	6,333,387
Miscellaneous	3,517,096	1,893,857	4,513,724	798,189	1,863,505
Transfers In (Out) from Business-Type Activities	-	-	-	-	-
Special Items:					
Gain (Loss) on Disposal of Assets	572,256	627,859	1,554,245	283,574	794,471
Total Governmental Activities General Revenues	<u>639,243,251</u>	<u>579,572,302</u>	<u>557,332,934</u>	<u>551,326,192</u>	<u>561,518,373</u>
Business- Type Activities:					
Investment earnings	-	-	-	-	-
Transfers In(Out) to Governmental Activities	-	-	-	-	-
Total Business- Type Activities General Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government General Revenues	<u>\$ 639,243,251</u>	<u>\$ 579,572,302</u>	<u>\$ 557,332,934</u>	<u>\$ 551,326,192</u>	<u>\$ 561,518,373</u>
Change in Net Position					
Governmental Activities	\$ 25,564,605	\$ 64,351,183	\$ 77,123,358	\$ 7,143,289	\$ 39,301,190
Business- type Activities	-	-	-	-	-
Total Change in Net Position	<u>\$ 25,564,605</u>	<u>\$ 64,351,183</u>	<u>\$ 77,123,358</u>	<u>\$ 7,143,289</u>	<u>\$ 39,301,190</u>

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

GARLAND INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-3
Page 2 of 2

	2019	2018	2017	2016	2015
Net Expense					
Governmental activities:	\$ (462,375,904)	\$ (412,533,805)	\$ (458,098,434)	\$ (479,654,080)	\$ (440,854,102)
Business- type activities:	-	-	-	(213)	(11,483)
Total Net Expense	\$ (462,375,904)	\$ (412,533,805)	\$ (458,098,434)	\$ (479,654,293)	\$ (440,865,585)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes, Levied for General Purposes	\$ 196,893,187	\$ 177,189,925	\$ 160,752,789	\$ 147,147,310	\$ 143,261,249
Property Taxes, Levied for Debt Service	79,322,278	71,576,774	64,727,260	44,156,322	29,406,886
State Aid Formula Grants	258,315,850	274,441,570	280,753,101	290,555,354	278,214,031
Grants and Contributions Not Restricted to Specific Prog.	1,734,601	2,054,402	1,697,891	1,614,381	457,688
Investment Earnings	8,228,220	6,653,988	2,981,631	1,152,599	155,049
Miscellaneous	1,215,452	1,899,433	2,252,773	917,065	1,496,153
Transfers In (Out) from Business-Type Activities	-	-	-	(429)	(132,561)
Special Items:					
Gain (Loss) on Disposal of Assets	1,222,636	553,941	377,414	246,705	265,904
Total Governmental Activities General Revenues	546,932,224	534,370,033	513,542,859	485,789,307	453,124,399
Business- Type Activities:					
Investment earnings	-	-	-	-	475
Transfers In(Out) to Governmental Activities	-	-	-	429	132,561
Total Business- Type Activities General Revenues	-	-	-	429	133,036
Total Primary Government General Revenues	\$ 546,932,224	\$ 534,370,033	\$ 513,542,859	\$ 485,789,736	\$ 453,257,435
Change in Net Position					
Governmental Activities	\$ 84,556,320	\$ 121,836,228	\$ 55,444,425	\$ 6,135,227	\$ 12,270,297
Business- type Activities	-	-	-	216	121,553
Total Change in Net Position	\$ 84,556,320	\$ 121,836,228	\$ 55,444,425	\$ 6,135,443	\$ 12,391,850

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

GARLAND INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-4
Page 1 of 2

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund					
Nonspendable:					
Inventories	\$ 1,979,596	\$ 1,718,341	\$ 1,321,726	\$ 1,117,564	\$ 998,377
Prepaid items	87,500	-	-	-	-
Committed:					
Self-Insurance	7,000,000	7,000,000	7,000,000	7,000,000	8,000,000
Assigned:					
Other purposes	-	1,122,900	1,122,900	587,312	587,312
Unassigned	199,816,901	252,679,025	276,140,819	262,239,740	257,899,782
Total General Fund	<u>\$ 208,883,997</u>	<u>\$ 262,520,266</u>	<u>\$ 285,585,445</u>	<u>\$ 270,944,616</u>	<u>\$ 267,485,471</u>
All Other Governmental Funds					
Nonspendable:					
Inventories	\$ -	\$ 3,061,132	\$ 2,022,903	\$ 1,822,884	\$ 1,648,765
Prepaid items	-	-	-	-	-
Restricted:					
Grant funds	14,559,028	19,609,985	17,764,858	4,095,812	13,603,962
Capital acquisition	953,053,579	5,446,933	11,743,460	18,841,281	26,326,966
Debt Service	94,767,123	92,689,153	91,495,627	76,901,253	71,517,196
Committed:					
Local Special Revenue fund	3,314,097	3,917,895	3,650,870	3,145,316	3,087,876
Assigned:					
Construction and Capital Expenditures	26,109,177	24,121,862	12,961,937	16,725,738	19,528,565
Total All Other Governmental Funds	<u>\$ 1,091,803,004</u>	<u>\$ 148,846,960</u>	<u>\$ 139,639,655</u>	<u>\$ 121,532,284</u>	<u>\$ 135,713,330</u>

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

GARLAND INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-4
Page 2 of 2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund					
Nonspendable:					
Inventories	\$ 925,912	\$ 907,053	\$ 890,698	\$ 985,030	\$ 898,601
Prepaid items	-	-	-	1,044,039	1,453,566
Committed:					
Self-Insurance	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Assigned:					
Other purposes	673,486	-	-	-	-
Unassigned	<u>220,271,987</u>	<u>184,480,205</u>	<u>178,872,613</u>	<u>162,004,045</u>	<u>150,065,060</u>
Total General Fund	<u>\$ 229,871,385</u>	<u>\$ 193,387,258</u>	<u>\$ 187,763,311</u>	<u>\$ 172,033,114</u>	<u>\$ 160,417,227</u>
All Other Governmental Funds					
Nonspendable:					
Inventories	\$ 1,507,585	\$ 2,069,511	\$ 1,906,372	\$ 2,049,499	\$ 1,665,298
Prepaid items	-	-	-	1,655,335	1,775,222
Restricted:					
Grant funds	13,471,568	22,336,337	22,210,583	12,437,623	3,487,530
Capital acquisition	75,272,373	126,954,526	158,771,545	97,915,261	183,774,730
Debt Service	50,239,546	22,925,084	13,716,951	8,345,668	9,961,155
Committed:					
Local Special Revenue fund	3,088,140	2,778,486	2,493,805	2,330,898	2,321,589
Assigned:					
Construction and Capital Expenditures	<u>23,960,584</u>	<u>6,096,195</u>	<u>15,501,859</u>	<u>21,289,184</u>	<u>22,091,992</u>
Total All Other Governmental Funds	<u>\$ 167,539,796</u>	<u>\$ 183,160,139</u>	<u>\$ 214,601,115</u>	<u>\$ 146,023,468</u>	<u>\$ 225,077,516</u>

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

GARLAND INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-5
Page 1 of 2

	2024	2023	2022	2021	2020
Local Sources:					
Property taxes	\$ 280,283,393	\$ 324,349,554	\$ 299,662,160	\$ 283,024,048	\$ 285,771,808
Earnings on investments	48,504,923	15,700,767	159,053	368,376	6,722,485
Other local sources	11,330,933	13,481,857	11,476,056	3,170,917	11,174,237
Total Local Sources	340,119,249	353,532,178	311,297,269	286,563,341	303,668,530
State Sources:					
Per capita	20,127,449	30,909,963	23,833,645	25,176,938	16,674,101
Foundation School Program	256,475,962	196,864,550	217,728,769	237,629,543	247,846,209
On-behalf payments	30,508,261	28,465,299	25,977,900	26,602,024	27,012,627
Other state sources	28,826,397	8,336,010	8,421,451	3,159,986	12,314,782
Total State Sources	335,938,069	264,575,822	275,961,765	292,568,491	303,847,719
Federal Sources:	143,538,036	119,580,890	136,169,471	75,318,252	62,253,721
Total Revenues	819,595,354	737,688,890	723,428,505	654,450,084	669,769,970

Source: The statement of Revenues, Expenditure, and changes in fund balance for the Garland Independent School District.

GARLAND INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-5
Page 2 of 2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Local Sources:					
Property taxes	\$ 274,636,369	\$ 248,652,345	\$ 225,136,669	\$ 191,213,265	\$ 172,925,921
Earnings on investments	8,894,333	7,062,195	3,097,611	1,185,673	151,757
Other local sources	13,259,911	15,063,980	15,651,100	15,031,358	16,158,382
Total Local Sources	<u>296,790,613</u>	<u>270,778,520</u>	<u>243,885,380</u>	<u>207,430,296</u>	<u>189,236,060</u>
State Sources:					
Per Capita	25,704,088	11,062,727	21,076,581	9,745,185	14,300,164
Foundation School Program	232,611,762	263,378,843	259,534,696	280,665,610	263,762,268
On-behalf payments	19,313,463	23,208,664	21,332,244	21,873,710	21,863,803
Other state sources	6,560,794	12,131,942	26,644,134	25,246,920	20,619,462
Total State Sources	<u>284,190,107</u>	<u>309,782,176</u>	<u>328,587,655</u>	<u>337,531,425</u>	<u>320,545,697</u>
Federal Sources:	67,360,453	67,513,974	60,268,133	56,398,403	56,740,087
Total Revenues	<u>648,341,173</u>	<u>648,074,670</u>	<u>632,741,168</u>	<u>601,360,124</u>	<u>566,521,844</u>

Source: The statement of Revenues, Expenditure, and changes in fund balance for the Garland Independent School District.

GARLAND INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-6
Page 1 of 2

	2024	2023	2022	2021	2020
Expenditures					
Governmental Funds					
11 Instruction	405,735,445	357,540,423	333,950,073	332,557,093	313,376,748
12 Instructional resources and media services	8,964,529	8,539,542	8,037,956	8,101,282	8,024,543
13 Curriculum and staff development services	23,663,095	24,193,337	18,494,595	19,906,532	18,605,901
Total function 10	438,363,069	390,273,302	360,482,624	360,564,907	340,007,192
21 Instructional leadership	12,246,667	13,325,894	10,268,732	9,406,788	8,904,397
23 School leadership	37,948,668	35,627,821	34,798,715	32,935,531	32,873,981
Total function 20	50,195,335	48,953,715	45,067,447	42,342,319	41,778,378
31 Guidance, counseling, and evaluation services	29,081,111	28,935,121	26,682,496	25,585,408	24,888,743
32 Social work services	1,410,243	983,358	889,880	890,595	1,198,380
33 Health services	9,334,710	8,635,615	8,385,657	8,353,605	7,144,408
34 Student transportation	22,639,548	21,902,000	23,587,583	20,589,514	18,520,848
35 Food service	43,180,359	31,625,806	31,261,239	24,518,211	33,679,845
36 Extracurricular activities	15,492,987	14,428,365	13,434,820	10,963,157	10,990,385
Total function 30	121,138,958	106,510,265	104,241,675	90,900,490	96,422,609
41 General administration	18,271,136	20,067,502	17,555,931	16,481,795	16,007,105
Total function 40	18,271,136	20,067,502	17,555,931	16,481,795	16,007,105
51 Facilities maintenance and operations	53,963,307	48,270,507	42,798,724	48,359,044	39,966,515
52 Security and monitoring services	11,775,969	7,632,605	6,979,083	7,751,435	8,733,696
53 Data processing services	25,417,639	18,970,581	36,252,125	20,946,771	18,446,887
Total function 50	91,156,915	74,873,693	86,029,932	77,057,250	67,147,098
61 Community services	2,389,847	2,554,270	2,119,405	2,324,494	2,329,983
Total function 60	2,389,847	2,554,270	2,119,405	2,324,494	2,329,983
71 Debt service					
Principal on long-term debt	128,999,236	84,592,657	42,985,925	43,557,517	43,165,629
Interest on long-term debt	18,697,672	18,598,642	20,559,389	22,423,626	24,383,826
Bond issuance costs and fees	5,132,910	28,900	21,815	-	291,142
Total function 70	152,829,818	103,220,199	63,567,129	65,981,143	67,840,597
81 Facilities acquisition/construction	34,175,571	13,154,207	11,054,863	9,043,998	38,591,012
Total function 80	34,175,571	13,154,207	11,054,863	9,043,998	38,591,012
93 Payments related to Shared Services Arrangements	43,094	137,800	176,895	179,365	134,796
95 Payments to Juvenile Justice Alternative	39,594	58,632	30,702	7,446	28,764
99 Other Intergovernmental Charges	1,063,997	982,673	897,947	963,769	928,362
Total function 90	1,146,685	1,179,105	1,105,544	1,150,580	1,091,922
Total expenditures	909,667,334	760,786,258	691,224,550	665,846,976	671,215,896
Debt services as a percentage of noncapital expenditures	17.5%	13.8%	9.3%	10.0%	10.7%

Source: The statement of Revenues, Expenditure, and changes in fund balance for the Garland Independent School District.

GARLAND INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-6
Page 2 of 2

	2019	2018	2017	2016	2015
Expenditures					
Governmental Funds					
11 Instruction	289,498,626	311,197,039	296,735,311	295,875,044	292,682,387
12 Instructional resources and media services	7,217,229	7,823,749	7,715,713	7,976,025	7,635,828
13 Curriculum and staff development services	14,656,530	17,104,803	15,302,908	14,955,504	14,150,661
Total function 10	311,372,385	336,125,591	319,753,932	318,806,573	314,468,876
21 Instructional leadership	7,525,112	9,233,263	8,745,559	8,909,833	9,267,235
23 School leadership	27,282,621	31,796,289	30,381,505	30,227,932	29,106,054
Total function 20	34,807,733	41,029,552	39,127,064	39,137,765	38,373,289
31 Guidance, counseling, and evaluation services	21,300,563	24,485,165	22,844,915	22,461,110	21,512,159
32 Social work services	830,424	745,589	791,786	1,045,330	1,338,547
33 Health services	6,280,318	6,981,160	6,603,999	6,618,661	6,389,549
34 Student transportation	12,804,688	17,567,596	16,363,472	16,638,683	15,163,237
35 Food service	27,001,019	29,549,801	29,606,960	29,920,357	31,790,346
36 Extracurricular activities	10,809,099	11,429,637	8,518,724	9,052,990	7,795,306
Total function 30	79,026,111	90,758,948	84,729,856	85,737,131	83,989,144
41 General administration	12,657,677	15,222,824	15,414,043	14,799,780	15,054,618
Total function 40	12,657,677	15,222,824	15,414,043	14,799,780	15,054,618
51 Facilities maintenance and operations	32,985,083	40,824,190	38,255,742	38,407,218	37,643,590
52 Security and monitoring services	7,706,790	9,668,579	5,720,961	6,123,148	4,072,994
53 Data processing services	18,426,974	24,237,927	19,626,462	48,340,584	21,405,047
Total function 50	59,118,847	74,730,696	63,603,165	92,870,950	63,121,631
61 Community services	2,419,362	2,653,384	2,923,205	3,059,647	2,695,992
Total function 60	2,419,362	2,653,384	2,923,205	3,059,647	2,695,992
71 Debt service					
Principal on long-term debt	41,850,089	47,726,335	48,531,442	38,298,252	25,765,010
Interest on long-term debt	16,118,574	26,651,612	25,536,628	20,492,629	15,807,117
Bond issuance costs and fees	973,543	680,874	1,050,341	434,984	1,486,831
Total function 70	58,942,206	75,058,821	75,118,411	59,225,865	43,058,958
81 Facilities acquisition/construction	69,907,342	127,989,717	118,361,627	54,519,046	20,168,396
Total function 80	69,907,342	127,989,717	118,361,627	54,519,046	20,168,396
93 Payments related to Shared Services Arrangements	117,609	103,090	82,925	78,603	81,790
95 Payments to Juvenile Justice Alternative	10,944	15,996	25,536	30,168	10,716
99 Other Intergovernmental Charges	925,839	835,727	745,631	692,137	667,640
Total function 90	1,054,392	954,813	854,092	800,908	760,146
Total expenditures	629,306,055	764,524,346	719,885,395	668,957,665	581,691,050
Debt services as a percentage of noncapital expenditures	10.5%	11.8%	12.5%	9.6%	7.7%

Source: The statement of Revenues, Expenditure, and changes in fund balance for the Garland Independent School District.

GARLAND INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	\$ (90,071,980)	\$ (23,097,368)	\$ 32,203,955	\$ (11,396,892)	\$ (1,445,926)
Other Financing Sources (Uses):					
Capital related debt issued (Bonds)	-	-	-	-	-
Expenditures	891,435,000	-	-	47,830,000	28,420,000
Sale of real or personal property	572,256	627,859	1,544,245	294,314	794,472
Issuance of loans	119,473	-	-	-	-
Transfers in	33,951,529	18,450,539	4,317,037	5,814,949	20,380,497
Premium or discount on issuance of bonds	87,265,026	-	-	6,685,636	2,538,455
Other financing sources - SBITA	-	2,231,635	-	-	-
Other resources	-	-	-	-	6,170,152
Insurance recovery	-	-	-	-	-
Transfers out	(33,951,529)	(18,830,539)	(5,317,037)	(5,814,949)	(20,380,497)
Payments to refunded bonds escrow agent	-	-	-	(54,134,959)	(30,689,533)
Total Other Financing Sources (Uses)	<u>979,391,755</u>	<u>2,479,494</u>	<u>544,245</u>	<u>674,991</u>	<u>7,233,546</u>
Net Change in Fund Balances	<u>\$ 889,319,775</u>	<u>\$ (20,617,874)</u>	<u>\$ 32,748,200</u>	<u>\$ (10,721,901)</u>	<u>\$ 5,787,620</u>

Source: The statement of Revenues, Expenditure, and changes in fund balance for the Garland Independent School District.

GARLAND INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-7
Page 2 of 2

	2019	2018	2017	2016	2015
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	\$ 19,035,118	\$ (116,449,676)	\$ (87,144,227)	\$ (67,597,541)	\$ (15,169,206)
Other Financing Sources (Uses):					
Capital related debt issued (Bonds)	-	78,565,000	150,250,000	-	193,320,000
Expenditures	14,525,000	-	-	40,560,000	-
Sale of real or personal property	1,229,284	551,166	377,414	371,262	265,904
Issuance of loans	-	-	-	-	-
Transfers in	37,284,586	13,600,000	10,978,893	9,305,830	12,880,477
Premium or discount on issuance of bonds	984,675	11,539,604	20,810,175	6,405,364	16,754,162
Other financing sources - SBITA	-	-	-	-	-
Other resources	404,544	-	14,483	21,799	-
Insurance recovery	-	-	-	-	-
Transfers out	(37,284,586)	(13,623,123)	(10,978,894)	(9,243,249)	(13,000,000)
Payments to refunded bonds escrow agent	(15,314,836)	-	-	(47,261,626)	(12,767,184)
Total Other Financing Sources (Uses)	1,828,667	90,632,647	171,452,071	159,380	197,453,359
Net Change in Fund Balances	\$ 20,863,785	\$ (25,817,029)	\$ 84,307,844	\$ (67,438,161)	\$ 182,284,153

Source: The statement of Revenues, Expenditure, and changes in fund balance for the Garland Independent School District.

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

Exhibit S-8

Fiscal Year	Appraised Value		Business Personal Property	Less: Exemptions	Total Direct Estimated Taxable Value	Total Direct Rate ⁽¹⁾
	Commercial Real Property	Residential Real Property				
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	24,565,242,879	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
2024	10,470,672,090	26,637,369,150	3,533,001,420	11,610,600,632	26,872,808,204	1.0532

Sources: 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
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$100 of Assessed Value)
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit S-9

Fiscal Year	Garland Independent School District			Overlapping Rates						
	Maintenance and Operations	Debt Service	Total	City of Garland	Dallas County	City of Rowlett	City of Sachse	City of Dallas	City of Mesquite	
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	
2024	0.6692	0.3840	1.0532	0.6897	0.5452	0.7104	0.6504	0.7357	0.6900	

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
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Exhibit S-10

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Oboe LLC	\$ 611,558,180	1	2.28%			
BVFV	290,279,730	2	1.08%			
BMEF	284,050,000	3	1.06%	\$ 47,210,340	9	0.35%
Kraft/Us Foods	194,593,822	4	0.72%	108,295,965	3	0.79%
NTT Global	181,877,020	5	0.68%			
TX Parkside	153,300,000	6	0.57%			
Harmony Hill LLC	128,085,280	7	0.48%			
Walmart/Sams	114,559,550	8	0.43%	146,516,120	1	1.07%
Atmos	112,614,110	9	0.42%			
Omnient Town Center	112,000,000	10	0.42%	43,562,000	10	0.32%
Simon Property Group				138,278,000	2	1.01%
Verizon/G.T.E.				71,361,960	4	0.52%
Oncor				66,639,770	5	0.49%
Landmark at Lakeways				65,909,350	6	0.48%
Engineered Polymer				49,736,039	7	0.36%
Plastipak Packaging				47,544,434	8	0.35%
Total	\$ 2,182,917,692		8.14%	\$ 785,053,978		5.74%

Source: Garland ISD Tax Office

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

Exhibit S-11

Tax Roll for Fiscal Year	Tax Levy for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy			Total Collections to Date		
		Amount	Percentage of Net Tax Levy	Collections in Subsequent Years	Amount ⁽²⁾	Percent of Total Tax Collections to Net Tax Levy ⁽³⁾	
2015	\$ 171,428,296	\$ 170,432,734	99.4%	\$ 1,178,528	\$ 171,611,262	100.1%	
2016	189,482,711	188,970,074	99.4%	1,171,420	190,141,494	100.3%	
2017	224,287,930	222,388,900	99.5%	1,172,638	223,561,538	99.7%	
2018	247,692,044	245,609,092	99.1%	767,370	246,376,462	99.5%	
2019	275,024,718	271,302,643	99.7%	2,335,783	273,638,426	99.5%	
2020	285,501,471	281,232,708	99.5%	2,510,046	283,742,754	99.4%	
2021	282,599,717	278,778,941	99.3%	1,644,621	280,423,562	99.2%	
2022	298,877,100	295,136,156	99.4%	1,027,022	296,163,178	99.1%	
2023	325,740,392	230,851,407	99.5%	(373,450)	230,477,957	98.5%	
2024	283,024,416	278,258,437	98.3%	-	278,258,437	98.3%	

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 judgements.
- ⁽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
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit S-12

Fiscal Year	Governmental Activities					Ratio of Debt to Assessed Value ⁽¹⁾	Outstanding Debt Per Capita
	General Obligation Bonds ⁽²⁾	Notes Payable	Lease Payable ⁽³⁾	SBITA ⁽⁴⁾	Total Primary Government		
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
2024	1,228,706,243	4,970,769	3,795,865	10,588,065	1,248,060,942	4.64%	3,643

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 insurance.
- (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 NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit S-13

Fiscal Year	General Obligations Bonds ⁽¹⁾	Less Reserve for Retirement of Bonded Debt ⁽²⁾	Total	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
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
2024	1,228,706,243	74,380,142	1,154,326,101	4.30%	3,370

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
June 30, 2024
(Unaudited)

Exhibit S-14

Governmental Unit	Gross Debt Outstanding	Percent Overlapping	Amount Overlapping
Direct:			
Garland Independent School District			
General Obligation Bonds	\$ 1,228,706,243	100.00%	\$ 1,228,706,243
Notes Payable	4,970,769	100.00%	4,970,769
Leases	3,795,865	100.00%	3,795,865
SBITAs	10,588,065	100.00%	10,588,065
Total Direct Debt	1,248,060,942		1,248,060,942
Overlapping:			
City of Garland	\$ 494,005,000	91.11%	\$ 450,087,956
City of Rowlett	110,330,000	85.46%	94,288,018
City of Sachse	53,575,000	60.23%	32,268,223
City of Dallas	2,560,385,416	0.22%	5,632,848
City of Mesquite	237,115,000	0.06%	142,269
City of Richardson	415,575,000	0.08%	332,460
City of Wylie	70,740,000	2.35%	1,662,390
Dallas County	217,675,000	8.04%	17,501,070
Dallas College	318,675,000	8.04%	25,621,470
Dallas County MUD # 4	4,995,000	100.00%	4,995,000
Dallas County Hospital District	543,495,000	8.04%	43,696,998
Total Overlapping Debt	5,026,565,416		676,228,702
Total Direct and Overlapping Debt	\$ 6,274,626,358		\$ 1,924,289,644
Taxable Assessed Valuation	1,228,782,144		\$ 26,872,808,204
Ratio of Direct and Overlapping Debt to taxable assessed valuation			7.16%
Direct and Overlapping Debt per Capita			\$ 5,617

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

Note: 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

Exhibit S-15

LEGAL DEBT MARGIN INFORMATION

June 30, 2024

(Unaudited)

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

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

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

The District's debt service tax rate for fiscal year 2024 is \$0.3840 per \$100 of valuation.

Source: Texas Education Code and District records.

GARLAND INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS ¹
(Unaudited)

Exhibit S-16

Fiscal Year	Population	Personal Income (hundreds of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate
2015	287,927	\$ 82,844,276	\$ 28,773	4.1%
2016	291,956	85,547,001	29,301	3.9%
2017	300,347	94,061,672	31,318	3.1%
2018	302,602	95,097,722	31,427	3.2%
2019	306,932	103,221,232	33,360	3.3%
2020	309,221	113,834,557	36,813	3.3%
2021	308,193	117,978,335	38,281	4.4%
2022	305,018	136,061,413	44,608	3.7%
2023	313,777	138,579,612	44,165	4.1%
2024	342,577	147,893,917	43,171	4.3%

Sources:

Population: United States Census Bureau & District estimate

Per Capita Personal Income (Inflation adjusted dollars): U. S. Census Bureau

Per Capita Personal Income is an average of the 3 cities served:

Garland City-Sachse City-Rowlett City, TX

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

Unemployment information available from: Dallas-Plano-Irving, TX

GARLAND INDEPENDENT SCHOOL DISTRICT

Exhibit S-17

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Principal Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Garland ISD	7,445	1	49.30%	7,617	1	47.22%
City of Garland	2,062	2	13.65%	2,000	2	12.40%
Kraft Heinz Company	1,222	3	8.09%			
Baylor Scott & White - Lake Pointe	995	4	6.59%			
Wal-Mart Super Centers	663	5	4.39%	1,670	4	10.35%
Sherwin Williams / Valspar	636	6	4.21%			
City of Rowlett	608	7	4.03%	362	9	2.24%
Epiroc Drilling Solutions	525	8	3.48%			
US Food Service	520	9	3.44%	520	6	3.22%
Anderson Windows	425	10	2.81%			
Raytheon				1,700	3	10.54%
Baylor Medical Center Garland				1,185	5	7.35%
Atlas Copco				409	7	2.54%
Home Depot				339	8	2.10%
Karlee				330	10	2.05%
Total	<u>15,101</u>		<u>100.00%</u>	<u>\$ 16,132</u>		<u>100.00%</u>

Source: 2015 Information comes from the Garland ISD Comprehensive Annual Financial Report (CAFR)

2024 Information comes from Garland ISD, City of Rowlett 9/30/2023 ACFR and City of Garland 9/30/2023 ACFR

Notes: This information is sourced from publicly available reports

GARLAND INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

POSITION	2015	2016	2017	2018	2019
Teachers	3,679.1	3,664.0	3,648.3	3,643.9	3,668.2
Professional Support:					
Athletic Trainer	6.7	8.2	7.2	9.1	7.5
Audiologist	2.0	2.0	2.0	2.0	2.0
Campus Professional Personnel	27.2	26.0	24.6	28.7	32.0
Corrective Therapist	-	-	-	-	-
Counselor	140.2	139.3	140.6	144.5	144.5
Department Head	-	-	-	1.0	-
Educational Diagnostician	57.8	56.8	54.2	56.8	56.8
Librarian	72.9	74.8	69.0	74.9	76.0
LSSP/Psychologist	9.0	9.0	9.0	8.9	9.0
Musical Therapist	0.7	1.0	1.0	1.0	1.0
Non-Campus Professional Personnel	183.5	197.5	207.1	209.2	212.0
Occupational Therapist	10.0	10.0	10.0	10.0	11.0
Orientation/Mobility Instructor	0.9	2.0	2.0	2.0	2.4
Physical Therapist	6.0	6.0	6.0	6.0	6.0
Psychological Associate	-	-	-	-	-
School Nurse	82.0	85.0	84.0	84.2	85.0
Social Worker	6.0	7.0	7.0	7.0	7.0
Speech Therapist/Speech-Language Pathologist	54.6	56.1	56.1	55.2	56.0
Teacher Facilitator	107.4	117	127	136	142
Visiting Teacher	4	3	2	1	1
Work-Based Learning Site Coordinator	-	-	-	-	-
Total Professional Support	770.9	801.0	808.9	837.6	850.9
Campus Administration:					
Assistant Principal	106.8	116.0	112.9	117.3	117.6
Principal	71.0	70.1	71.2	73.0	72.8
Teacher Supervisor	-	-	-	-	-
Register	2.0	2.0	2.0	-	-
Campus Administration Totals	179.8	188.1	186.1	190.3	190.4
Central Administration:					
Assistant/ Deputy Supt	5.5	5.0	3.0	2.0	3.0
Instructional Officer	-	-	-	-	-
District Instructional Program Director	16.0	16.0	13.0	16.0	14.0
Superintendent	1.0	1.0	3.0	2.0	3.0
Teacher Supervisor	27.5	26.8	22.5	22.0	22.0
Athletic Director	2.0	2.0	1.0	1.0	-
Business Manager	1.0	1.0	-	0.5	1.0
Tax Assessor and/or Collector	1.0	1.0	1.0	1.0	1.0
Director of HR	4.0	4.0	3	4.0	3.0
Central Administration Totals	58.0	56.8	46.4	48.5	47.0
Educational Aides:					
Aides	547.2	538.1	552.4	554.4	571.8
Educational Aides Totals	547.2	538.1	552.4	554.4	571.8
Auxiliary Support	2,183.4	2,044.7	1,997.7	1,935.8	1,977.9
Total Employees	7,418.4	7,292.7	7,239.8	7,210.5	7,306.2

Source: District records for the fall PEIMS submission

GARLAND INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

POSITION	2020	2021	2022	2023	2024
Teachers	3,594.1	3,609.3	3,448.1	3,476.4	3,523.5
Professional Support:					
Athletic Trainer	7.3	8.0	14.0	11.0	8.9
Audiologist	2.0	2.0	2.0	2.0	2.0
Campus Professional Personnel	33.0	30.7	29.1	35.4	32.3
Corrective Therapist	-	-	-	-	-
Counselor	154.5	159.9	157.4	155.6	159.2
Department Head	-	-	-	1.0	-
Educational Diagnostician	54.2	55.8	54.8	53.6	53.1
Librarian	75.1	75.0	67.0	68.8	67.0
LSSP/Psychologist	9.0	9.0	8.0	6.9	7.4
Musical Therapist	1.0	1.0	1.0	1.0	1.0
Non-Campus Professional Personnel	222.5	223.1	249.4	244.8	275.6
Occupational Therapist	10.0	11.9	12.0	12.0	12.9
Orientation/Mobility Instructor	2.2	2.1	2.2	1.2	1.8
Physical Therapist	6.0	5.0	5.0	5.0	5.0
Psychological Associate	-	-	-	-	-
School Nurse	83.3	86.3	86.9	87.9	90.3
Social Worker	3.0	2.0	2.2	1.5	1.0
Speech Therapist/Speech-Language Pathologist	53.2	55.6	51	53.4	55.8
Teacher Facilitator	134	160	129.5	178.0	182.8
Visiting Teacher	1	2	2.0	2.0	2.0
Work-Based Learning Site Coordinator	-	-	-	-	-
Total Professional Support	851.7	889.4	873.9	921.1	958.0
Campus Administration:					
Assistant Principal	115.5	115.4	115.6	117.2	117.6
Principal	73.6	70.3	71.0	71.0	72.0
Teacher Supervisor	-	-	-	-	-
Register	2.0	2.0	-	-	-
Campus Administration Totals	191.1	187.7	186.6	188.2	189.6
Central Administration:					
Assistant/ Deputy Supt	3.0	4.9	4.0	4.0	4.0
Instructional Officer	-	-	-	18.0	34.5
District Instructional Program Director	12.0	12.5	10.0	10.1	11.1
Superintendent	3.0	1.0	2.0	3.0	3.0
Teacher Supervisor	21.0	22.4	22.0	23.5	21.6
Athletic Director	-	-	0.5	-	-
Business Manager	1.0	1.0	1.0	1.0	1.0
Tax Assessor and/or Collector	1.0	1.0	1.0	1.0	1.0
Director of HR	3.0	3.0	3.0	3.0	4.0
Central Administration Totals	44.0	45.8	43.5	63.6	80.3
Educational Aides:					
Aides	553.8	569.9	577.8	629.7	672.9
Educational Aides Totals	553.8	569.9	577.8	629.7	672.9
Auxiliary Support	1,950.2	1,920.9	1,857.0	1,894.3	1,929.0
Total Employees	7,184.9	7,223.0	6,986.9	7,173.3	7,353.3

Source: District records for the fall PEIMS submission



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

Exhibit S-19

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures ⁽¹⁾</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
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%
2024	51,659	556,056,751	10,764	5.27%	3,524	14.7	70.0%

Source: District records

Note:

(1) Operating expenditures represent general fund only.

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

POSITION	2015	2016	2017	2018	2019
Teachers By Highest Degree Held					
No Degree	0.4%	0.4%	0.6%	0.8%	0.8%
Bachelors	69.4	69.5	69.2	68.9	67.6
Masters	29.3	29.3	29.4	29.4	30.6
Doctorate	0.9	0.8	1.1	1.1	1.1
Teachers By Years of Experience					
Beginning Teachers	4.5	5.3	4.9	5.1	4.5
1-5 Years of Experience	25.0	27.2	28.3	29.6	29.2
6-10 Years of Experience	25.9	23.1	21.4	20.1	19.9
11-20 Years of Experience	29.8	30.2	30.7	31.4	32.3
Over 20 Years of Experience	14.8	14.2	14.7	13.8	14.2
Average Salaries by Experience					
Beginning Teachers	\$ 50,150	\$ 50,862	\$ 52,334	\$ 52,304	\$ 54,248
1-5 Years of Experience	50,565	52,115	53,263	54,149	54,851
6-10 Years of Experience	51,730	53,299	54,415	55,548	56,337
11-20 Years of Experience	53,729	55,083	56,124	57,223	58,241
Over 20 Years of Experience	61,323	61,984	62,358	63,055	63,806
Student Teacher Ratio	15.6	15.7	15.6	15.5	15.3

Source: District records for the fall PEIMS submission

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

POSITION	2020	2021	2022	2023	2024
Teachers By Highest Degree Held					
No Degree	0.7%	0.8%	1.4%	0.6%	0.9%
Bachelors	66.7	66.8	67.4	69.9	69.6
Masters	31.6	31.4	30.1	28.2	28.0
Doctorate	1.0	1.1	1.2	1.3	1.5
Teachers By Years of Experience					
Beginning Teachers	4.1	5.3	5.9	13.8	8.7
1-5 Years of Experience	27.2	25.7	24.9	23.1	28.4
6-10 Years of Experience	21.2	22.3	23.3	19.9	20.0
11-20 Years of Experience	32.9	31.8	30.8	28.2	27.4
Over 20 Years of Experience	14.6	15.0	15.1	14.9	15.5
Average Salaries by Experience					
Beginning Teachers	\$ 54,569	\$ 55,538	\$ 50,358	\$ 60,960	\$ 59,982
1-5 Years of Experience	56,593	56,856	57,738	61,905	62,709
6-10 Years of Experience	58,211	58,782	60,188	63,571	65,488
11-20 Years of Experience	60,343	61,464	62,654	66,337	69,279
Over 20 Years of Experience	65,504	65,775	66,560	70,216	73,306
Student Teacher Ratio	15.5	14.9	15.6	15.2	14.7

Source: District records for the fall PEIMS submission

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

	2015	2016	2017	2018	2019
Schools					
Elementary					
Buildings	47	47	47	47	47
Enrollment	26,135	25,971	25,579	24,246	23,606
Middle					
Buildings	12	12	12	12	12
Enrollment	12,754	12,595	12,757	12,663	12,830
High School					
Building	7	7	9	9	9
Enrollment	17,091	17,470	17,474	17,439	17,324
Pre-K					
Buildings	2	2	2	2	2
Enrollment	1,098	1,132	1,086	1,924	1,950
Other					
Buildings	3	3	2	2	2
Enrollment	358	349	133	199	277
Student Services					
Enrollment Center	1	1	1	1	1
Transportation	1	1	1	1	1
Infant Center	1	1	1	1	1
Other					
Buildings:					
Administration	1	1	1	1	1
Tax Office	1	1	1	1	1
Technology	1	1	1	1	1
Professional Development Center	1	1	1	1	1
Curtis Culwell Center	1	1	1	1	1
Facility Services	1	1	1	1	1
Agriculture Training Center	1	1	1	1	1
Athletics					
Stadiums (includes Athletic Office)	2	2	2	2	2
Running Tracks	7	7	7	7	7
Tennis Courts	7	7	7	7	7
Softball Fields	7	7	7	7	7
Baseball Fields	7	7	7	7	7

Source: District records

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Schools					
Elementary					
Buildings	47	47	47	47	47
Enrollment	23,208	22,062	21,843	21,642	21,232
Middle					
Buildings	12	12	12	12	12
Enrollment	12,996	12,766	12,141	11,343	11,145
High School					
Building	9	9	9	9	9
Enrollment	17,312	17,210	17,325	17,375	16,762
Pre-K					
Buildings	2	2	2	2	2
Enrollment	1,900	1,664	2,093	2,107	2,211
Other					
Buildings	2	2	2	2	2
Enrollment	8,285	219	272	300	309
Student Services					
Enrollment Center	1	1	1	1	1
Transportation	1	1	1	1	1
Infant Center	1	1	1	1	1
Other					
Buildings:					
Administration	1	1	1	1	1
Tax Office	1	1	1	1	1
Technology	1	1	1	1	1
Professional Development Center	1	1	1	1	1
Curtis Culwell Center	1	1	1	1	1
Facility Services	1	1	1	1	1
Agriculture Training Center	1	1	1	1	1
Athletics					
Stadiums (includes Athletic Office)	2	2	2	2	2
Running Tracks	7	7	7	7	7
Tennis Courts	7	7	7	7	7
Softball Fields	7	7	7	7	7
Baseball Fields	7	7	7	7	7

Source: District records

GARLAND INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended June 30, 2024

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
	<p>(If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued</p> <p>Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.</p>	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -0-

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).

FEDERAL AWARDS SECTION



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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Garland Independent School District, (the “District”) as of and for the year ended June 30, 2024, 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 19, 2024.

Report on 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 were not identified.

Report on 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 are required to be reported under *Government Auditing Standards*.

To the Board of Trustees
Garland Independent School District

Purpose of this Report

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

Whitley Penn LLP

Dallas, Texas

November 19, 2024

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

To the Board of Trustees
Garland Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Federal Major Program

We have audited Garland Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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, 2024.

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 19, 2024

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies 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 deficiencies 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 2 CFR 200.516(a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
US Department of Agriculture	
Child Nutrition Cluster	
<i>School Breakfast Program</i>	10.553
<i>National School Lunch Program</i>	10.555
<i>Supply Chain Assistance Grant</i>	10.555
<i>Summer Food Service Program - Cash Assistance</i>	10.559
<i>USDA Commodities - Non-cash Assistance</i>	10.555
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, 2024

II. Financial Statement Findings

None reported.

III. Federal Awards Findings and Questioned Costs

None reported.

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Exhibit K-1
Page 1 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Assistance Listing Number (ALN)	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
US Department of Education			
Passed Through State Department of Education:			
<i>Texas Education for Homeless Children & Youth</i>	84.196A	234600057110033	\$ 37,253
<i>Texas Education for Homeless Children & Youth</i>	84.196A	244600057110040	27,121
<i>Total ALN 84.196</i>			<u>64,374</u>
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	23610101057909	1,462,390
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	24610101057909	14,510,061
<i>2022-2024 School Action Fund - Planning</i>	84.010A	236101627110009	560,578
<i>2022-2024 School Action Fund - Planning</i>	84.010A	236101627110010	814,161
<i>2022-2024 School Action Fund - Planning</i>	84.010A	236101627110011	568,632
<i>2022-2024 School Action Fund - Planning</i>	84.010A	236101627110012	766,382
<i>2022-2024 School Action Fund - Planning</i>	84.010A	236101627110013	741,038
<i>2022-2024 School Action Fund - Planning</i>	84.010A	236101627110014	851,240
<i>Total ALN 84.010</i>			<u>20,274,482</u>
<i>IDEA - Part B, Formula</i>	84.027A	236600010579096600	170,032
<i>IDEA - Part B, Formula</i>	84.027A	246600010579096600	11,878,268
<i>IDEA - Part B, Formula ARP - COVID-19</i>	84.027X	225350020579095350	304,201
<i>IDEA - Part B, Formula ARP - COVID-19</i>	84.027X	225360020579095360	26,819
<i>IDEA - Part B, Preschool</i>	84.173A	236610010579096610	2,671
<i>IDEA - Part B, Preschool</i>	84.173A	246610010579096610	183,233
<i>High Cost Fund</i>	84.027A	66002406	89,031
<i>High Cost Fund</i>	84.027A	66002306	165,552
<i>SPED Capacity Contracted Services Grant</i>	84.027A	UQZKSWHRBUH3	203,542
<i>Total Special Education Cluster (ALN 84.027, 84.173)</i>			<u>13,023,349</u>
<i>Perkins V: Strengthening Career and Technical Education for the 21st Century</i>	84.048A	23420006057909	6,088
<i>Perkins V: Strengthening Career and Technical Education for the 21st Century</i>	84.048A	24420006057909	746,658
<i>Total ALN 84.048</i>			<u>752,746</u>
<i>ESEA Title III, Part A, ELA</i>	84.365A	23671001057909	549,243
<i>ESEA Title III, Part A, ELA</i>	84.365A	24671001057909	2,255,593
<i>Total ALN 84.365</i>			<u>2,804,836</u>
<i>ESEA Title II, Part A, Supporting Effective Instruction</i>	84.367A	23694501057909	253,361
<i>ESEA Title II, Part A, Supporting Effective Instruction</i>	84.367A	24694501057909	2,250,220
<i>Total ALN 84.367</i>			<u>2,503,581</u>
<i>ESEA Title IV, Part A, Subpart 1</i>	84.424A	24680101057909	602,143
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042057909	816,573
<i>CRRSA ESSER II - COVID-19</i>	84.425D	21521001057909	11,202,168
<i>ARP ESSER III - COVID-19</i>	84.425U	21528001057909	53,337,512
<i>TCLAS - High-Quality After-School Grant</i>	84.425U	215280587110058	138,974
<i>ARP Homeless I- TECHY Supplemental - COVID-19</i>	84.425W	215330017110033	197,589
<i>Total ALN 84.425</i>			<u>65,692,816</u>
<i>Summer School LEP</i>	84.369A	69552002	54,371
Total US Department of Education			<u>105,772,698</u>

GARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Federal Expenditures
US Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission:			
<i>Medicaid Administrative Claiming</i>	93.778	HHS000537900274	\$ 571,510
<i>Total Medicaid Cluster (ALN 93.778)</i>			<u>571,510</u>
Total US Department of Health and Human Services			<u>571,510</u>
US Department of Justice			
Direct Program:			
<i>Preventing School Violence</i>	16.839	15PBJA-21-GG-04663-STOP	20,700
Total US Department of Justice			<u>20,700</u>
US Department of Agriculture			
Passed Through State Department of Education:			
<i>School Breakfast Program - Cash Assistance</i>	10.553	71402401	7,497,252
<i>School Breakfast Program - SSO</i>	10.553	71402401	141
<i>National School Lunch Program - Cash Assistance</i>	10.555	71302401	23,072,855
<i>National School Lunch Program - SSO</i>	10.555	71302401	1,216
Passed Through State Department of Agriculture:			
<i>USDA Donated Commodities - Non-Cash Assistance</i>	10.555	NT4XL1YGLGC5	2,393,139
<i>Supply Chain Assistance Grant</i>	10.555	NT4XL1YGLGC5	219,818
<i>Summer Food Service Program - Cash Assistance</i>	10.559	NT4XL1YGLGC5	297,552
<i>Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559)</i>			<u>33,481,973</u>
<i>Local Food for Schools Cooperative</i>	10.185	NT4XL1YGLGC5	2,562
<i>Child and Adult Care Food Program - Cash Assistance</i>	10.558	NT4XL1YGLGC5	365,112
Total US Department of Agriculture			<u>33,849,647</u>
Total Expenditures of Federal Awards			<u>\$ 140,214,555</u>

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, 2024, 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. 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 per Exhibit K- 1	\$ 140,214,555
School Health and Related Services (SHARS)	2,726,301
JROTC	59,542
E-Rate	61,508
Qualified School Construction Bonds Interest Subsidy	476,130
Total Federal Revenues per Exhibit C-2	<u>\$ 143,538,036</u>

GARLAND INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2024

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

None Noted

GARLAND INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2024

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

