

Fiscal Year Ended June 30, 2025



BUILT DIFFERENT

# Annual Comprehensive Financial Report

Garland Independent School District  
Garland, Texas



# **GARLAND INDEPENDENT SCHOOL DISTRICT**

**Garland, Texas**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Year Ended June 30, 2025**

**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, 2025, was reviewed and approved at a meeting of the Board of Trustees of the Garland Independent School District on November 18, 2025.

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

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

**GARLAND INDEPENDENT SCHOOL DISTRICT****PRINCIPAL OFFICIALS AND ADVISORS****BOARD OF TRUSTEES**

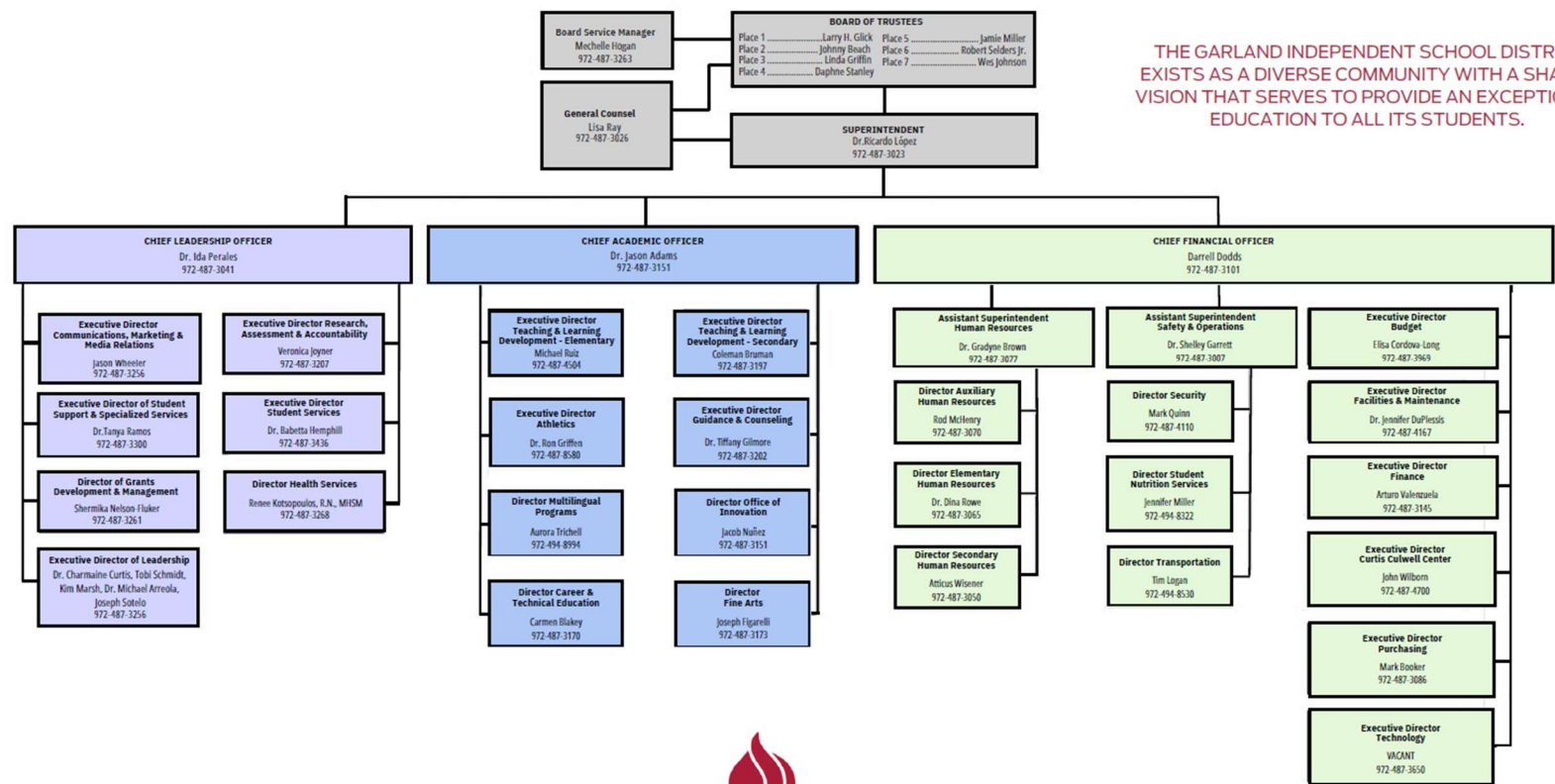
| <b>Name</b>         | <b>Position</b>     | <b>Place</b> | <b>Length of Service</b> | <b>Term Expires</b> | <b>Occupation</b>                              |
|---------------------|---------------------|--------------|--------------------------|---------------------|--|
| Larry Glick         | Member              | 1            | 18 years                 | May 2028            | Tax Attorney                                   |
| Johnny Beach        | President           | 2            | 9 years                  | May 2028            | Retired Educator                               |
| Linda Griffin       | Member              | 3            | 27 years                 | May 2028            | Consultant                                     |
| Daphne Stanley      | Secretary           | 4            | 4 years                  | May 2026            | Senior Merchandise Planner                     |
| James Miller        | Assistant Secretary | 5            | 8 years                  | May 2026            | Executive Vice President/Chief Lending Officer |
| Robert Selders, Jr. | Member              | 6            | 10 years                 | May 2027            | Business Owner                                 |
| Wesley Johnson      | Vice President      | 7            | 7 years                  | May 2027            | Attorney                                       |

**ADMINISTRATIVE OFFICIALS**

| <b>Name</b>         | <b>Position</b>                                   | <b>Length of GISD Service</b> |
|---------------------|---|-------------------------------|
| Dr. Ricardo Lopez   | Superintendent                                    | 8 years                       |
| Dr. Jason Adams     | Chief Academic Officer                            | 26 years                      |
| Darrell Dodds       | Chief Financial Officer                           | 2 years                       |
| Dr. Ida Perales     | Chief Leadership Officer                          | 6 years                       |
| Lisa Ray            | General Counsel                                   | 7 years                       |
| Dr. Gradyne Brown   | Assistant Superintendent of Human Resources       | 24 years                      |
| Dr. Shelley Garrett | Assistant Superintendent of Safety and Operations | 6 years                       |

GARLAND INDEPENDENT SCHOOL DISTRICT  
ORGANIZATIONAL CHART

ORGANIZATIONAL CHART



EFFECTIVE AUGUST 2025





**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 18, 2025

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, 2025.

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.

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, 2025, 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, 2025, 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 (OMB) 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. At the time this report was issued, the OMB had not yet published the 2025 Compliance Supplement, resulting in a delay in the issuance of the Federal Single Audit Report.

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 2025, Garland ISD has 67 campuses with an enrollment of 51,021 students.

Residents of the District elect a seven-member Board of Trustees (the Board), with each member serving a three-year term. Meetings of the Board are held twice a month and are posted and advertised in accordance with state law, enabling the Board to fulfill its responsibilities to the students, parents, staff, and taxpayers of the District. Special meetings or work sessions are scheduled as needed. The Board retains final authority 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 serves the community through a diverse network of schools that support students from early childhood through graduation. It operates seven traditional high schools, and the PASS Learning Center, which is a non-traditional high school, thirteen middle schools including a disciplinary alternative program, and forty-six elementary campuses with two Montessori schools, two Pre-K centers, and two special learning centers.

The table below shows the demographic composition of the District during the 2014-15 and 2024-25 school years.

|                            | <b>2014-15</b> | <b>2024-25</b> |
|----------------------------|----------------|----------------|
| Enrollment                 | 57,436         | 51,021         |
| African-American           | 17.08%         | 17.65%         |
| American Indian            | 0.43%          | 0.41%          |
| Asian                      | 8.31%          | 10.25%         |
| Hispanic                   | 51.70%         | 55.36%         |
| Pacific Islander           | 0.07%          | 0.11%          |
| White                      | 20.39%         | 12.85%         |
| Two or More                | 2.02%          | 3.37%          |
| Economically Disadvantaged | 60.50%         | 72.06%         |
| English Language Learners  | 24.86%         | 39.10%         |
| Graduates                  | 3,941          | 4,106          |

The District's total student population decreased over the past 10 years, averaging a loss of 722 students per year. The District did see a decrease in Pre-K enrollment but has started reach out programs to find and enroll pre-k students . The District does have a high level of economically disadvantaged students, 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.

Another challenge facing many Texas school districts is the increasing number of students who are learning English as a second language and have not yet attained grade-level proficiency in English. While the majority of these students are Hispanic, the District serves a linguistically diverse population representing more than 78 different languages. The most commonly spoken languages include Spanish, Vietnamese, Amharic, Arabic, and Burmese. The District continues to expand and enhance its bilingual and English as a Second Language (ESL) programs to meet the needs of these students. The continued growth in this population presents 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 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 2014-15 and 2024-25 school year.

|                             | 2014-15 | 2024-25 |
|-----------------------------|---------|---------|
| Total Staff                 | 7,415   | 7,305   |
| Teachers                    | 3,679   | 3,402   |
| Masters or Doctorate        | 30.00%  | 29.00%  |
| Average Years of Experience | 11      | 11      |
| Student/Teacher Ratio       | 15.58   | 14.96   |

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 local economy has remained stable as compared to the prior year. The table below provides a comparison of the District’s property values.

|                                   | 2023-24          | 2024-25          | 2025-26          |
|-----------------------------------|------------------|------------------|------------------|
| Certified Market Value            | \$39,956,884,430 | \$44,663,163,760 | \$44,881,782,980 |
| Average Market Value of Residence | \$320,884        | \$352,305        | \$356,045        |

The housing environment in the District was marked by a continuation of elevated home prices despite an increase of housing inventories and high interest rates in the fiscal year ended 06/30/2025. The DFW housing market is dealing with a slight decrease in 30-year mortgage rates. As of June 2025, the 30-year fixed-rate mortgage stood at 6.77%, a year over year decrease from 6.86%. However, it remains high when compared to interest rates over the past decade. During the fiscal year, the housing market sales have remained comparable to last year, with a small uptick of .5% as compared to prior year.

There have been some housing developments in the region, like a 155-unit three-story apartment complex located on the northwest corner of South Garland and West Avenue B. There are also some subdivisions and community developments in the region, like Heritage Park in Garland with 74 homes up for sale, Lake Park in Rowlett and Hudson Hills in Sachse are another two communities that are actively selling homes in the region. Residential growth is still 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 decreases at an average annual rate of 0.8%.

**State Funding.** In June 2025, the 89th Texas Legislature passed House Bill (HB2), which impacts funding beginning with 2025-2026. The bill is a comprehensive school finance bill that supports students and infuses dollars into Texas schools. Some of the highlights of the bill are focused on Teacher Compensation, Educator Preparation, Educator Rights, Special Education, Early Literacy, Numeracy, Career and Technical Education and Finance & Safety.



HB2 increases the Basic Allotment by \$55 from \$ 6,160 to \$ 6,215. Perhaps one of the most significant changes in HB2 is the establishment of a new Teacher Retention Allotment (TRA) under Section 48.158, Education Code. The Teacher Retention Allotment provides a school system with an allotment for each classroom teacher with salary increases for teachers. The payments are dependent on the student enrollment numbers of the district as well as the years of experience of the teacher, the teachers must have at least 3 years of teaching experience with an increase in the allotment payment after they reach 5 years of teacher experience.

This bill modifies the State Compensatory Education (SCE) Allotment under Section 48.104, Education Code, to repeal the 55 percent requirement that SCE funds allocated must be used to fund supplemental programs and services designed to eliminate any disparity in performance. This bill modified the allotment under Section 48.105, Education Code to provide funding for alternative language education methods using a dual language immersion/one-way emergent bilingual students. On the Career and Technology Education Allotment, HB 2 expands funding to include courses offered under a Junior Reserve Officers’ Training Corps (JROTC) program. The funding entitlement for P-Tech students increased from \$ 50 to \$ 150 per ADA.

Furthermore, HB2 establishes a new Allotment for Basic Costs (ABC) under Section 48.161, Education Code, to provide a school district an annual allotment of \$ 106 per enrollment student. HB2 also establishes new funding to offset costs for Special Education FIEs under Section 48.159, Education Code, at \$ 1,000 for each child’s initial special education evaluation.

**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. The construction of the projects related to the 2023 bond make up the bulk of the construction performed by GISD in fiscal year 2024-2025, a list of ongoing projects is found in Note 4 of this report.

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.

|                          | Number | Average Age |
|--------------------------|--------|-------------|
| Pre-Kindergarten Centers | 2      | 20 years    |
| Elementary Schools       | 42     | 46 years    |
| Middle Schools           | 12     | 51 years    |
| High Schools             | 7      | 49 years    |
| Other Learning Centers   | 4      | 48 years    |

**Fund Balance.** The unassigned fund balance in the general fund is 29.66% of general fund expenditures in fiscal year 2025 and 28.30% of the 2025 final adopted general fund budget. This represents 3.5 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 proposed a Voter-Approved Tax Rate Election (VATRE) to address ongoing budgetary needs. The process began with a citizen advisory committee that carefully reviewed District priorities and recommended a 12-cent increase to the Maintenance and Operations (M&O) tax rate. The election was held on November 4, 2025, and passed with 60% voter approval. This tax rate adjustment is expected to generate approximately \$56 million in additional annual revenue, helping to offset recent deficit budgets and strengthen the District’s long-term financial stability.

In 2025, Garland ISD improved its state accountability rating, increasing from a score of 81 to 84. The District continues to make significant progress toward becoming an A-rated district, achieving record academic gains and ranking among the top-performing districts in Dallas County. The Texas Education Agency’s A–F Accountability System measures student achievement, academic growth, and the closing of performance gaps among students most in need—areas where GISD continues to show sustained improvement.

Garland ISD students demonstrated exceptional achievement at the 2024 HOSA (Health Occupations Students of America) competitions. The North Garland High School HOSA senior team earned first place internationally in the Parliamentary Procedure event at the International Leadership Conference, competing against over 50 teams from the United States, Mexico, Canada, and China. The North Garland junior team also delivered an impressive performance, placing in the top 10 statewide at the HOSA State Leadership Conference. These recognitions highlight the District's commitment to preparing students for success in Health Science and Biomedical Science programs.

Garland ISD was honored with the 2024 Texas Art Education Association (TAEA) District of Distinction Award, a recognition granted to only 5.5% of districts statewide. This award celebrates districts that provide a comprehensive and innovative visual arts curriculum, fostering creativity, social-emotional learning, and community connection. Garland ISD and the other 93 award recipients will be recognized during the TAEA Fall Conference General Assembly on November 15, 2024.

Garland ISD's Superintendent was appointed President of the Texas School Alliance (TSA), an organization representing 51 of the largest districts in Texas, which collectively serve 42% of the state's students. TSA unites educational leaders from across Texas—from the Rio Grande Valley to the Panhandle—to advocate for equitable and effective public education. This appointment underscores GISD's statewide leadership and influence.

In fiscal year 2024–2025, Garland ISD continued advancing opportunities for women in computer science. Garland High School and Lakeview Centennial High School received the AP Computer Science Female Diversity Award from the College Board for the 2023–2024 school year. This recognition reflects GISD's growing success in promoting gender diversity and participation in STEM fields.

## **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, 2024. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the District published an Annual Comprehensive Financial Report in which contents conformed to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The District has received a Certificate of Achievement for thirty-four consecutive years. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

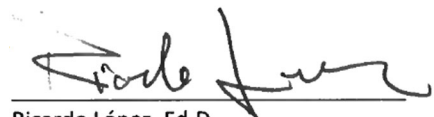
The District was awarded a Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) stating that the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, substantially conformed to the recommended principles and standards of financial reporting adopted by that organization. The District has received the Certificate of Excellence for thirty-five consecutive years. The Certificate of Excellence is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Excellence program requirements and we are submitting it to ASBO to determine its eligibility for another certificate. Garland ISD has been awarded the prestigious 2025–2026 Meritorious Budget Award (MBA) from the Association of School Business Officials International (ASBO) and we wanted to share our appreciation.

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,

A handwritten signature in dark ink, appearing to read "Ricardo López", written over a horizontal line.

Ricardo López, Ed.D.  
Superintendent

A long, flowing handwritten signature in dark ink, written over a horizontal line.

Darrell Dodds  
Chief Financial Officer

A stylized handwritten signature in dark ink, written over a horizontal line.

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, 2024

*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, 2024.

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, 2025, 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, 2025, 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.

### ***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.

### ***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 and required Texas Education Agency (TEA) compliance schedules 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 and required TEA compliance schedules 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 18, 2025 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.

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

Dallas, Texas  
November 18, 2025



**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, 2025.

**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 \$505,980,078 (net position). Of this amount \$57,225,650 was restricted for specific purposes (i.e. Federal/State grants, Debt Service and Student Nutrition). Unrestricted net position was (\$129,396,694) 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 \$1,153,448,368 which breaks down as follows.

|               |                         |               |
|---------------|-------------------------|---------------|
| Non-spendable | \$ 2,460,682            | 0.2%          |
| Restricted    | 945,623,326             | 82.0%         |
| Committed     | 11,105,862              | 1.0%          |
| Assigned      | 23,407,848              | 2.0%          |
| Unassigned    | 170,850,650             | 14.8%         |
|               | <u>\$ 1,153,448,368</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 29-63 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 66-73 of this report. Combining statements are prepared in connection with internal service funds and are presented immediately following the required supplementary information on pages 78-83 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, 2025, assets and deferred outflow of resources exceeded liabilities and deferred inflows by \$505,980,078.

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

**The District's Net Position**

The table below 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, 2025 and 2024, respectively.

|  | <b>Governmental Activities</b> |                       |
|--|--------------------------------|-----------------------|
|  | <b>2025</b>                    | <b>2024</b>           |
| <b>Assets</b>                                    |                                |                       |
| Current and other assets                         | \$ 1,268,806,398               | \$ 1,421,532,980      |
| Capital assets, net of depreciation/amortization | 867,151,789                    | 789,087,138           |
| Restricted assets                                | 5,000,000                      | 3,750,000             |
| <b>Total Assets</b>                              | <b>2,140,958,187</b>           | <b>2,214,370,118</b>  |
| <b>Deferred Outflows of Resources</b>            |                                |                       |
| Deferred charge on refunding                     | 1,196,668                      | 1,448,562             |
| Deferred outflows - pension                      | 50,812,647                     | 86,770,151            |
| Deferred outflows - OPEB                         | 59,346,023                     | 27,930,568            |
| <b>Total Deferred Outflows of Resources</b>      | <b>111,355,338</b>             | <b>116,149,281</b>    |
| <b>Liabilities</b>                               |                                |                       |
| Non-current liabilities                          | 1,503,556,125                  | 1,581,486,388         |
| Other liabilities                                | 118,636,320                    | 114,399,375           |
| <b>Total Liabilities</b>                         | <b>1,622,192,445</b>           | <b>1,695,885,763</b>  |
| <b>Deferred Inflows of Resources</b>             |                                |                       |
| Deferred inflows - pension                       | 6,233,953                      | 13,582,612            |
| Deferred inflows - OPEB                          | 117,907,049                    | 144,434,181           |
| <b>Total Deferred Inflows of Resources</b>       | <b>124,141,002</b>             | <b>158,016,793</b>    |
| <b>Net Position</b>                              |                                |                       |
| Net investment in capital assets                 | 578,151,122                    | 480,701,807           |
| Restricted                                       | 57,225,650                     | 88,214,202            |
| Unrestricted                                     | (129,396,694)                  | (92,299,166)          |
| <b>Total Net Position</b>                        | <b>\$ 505,980,078</b>          | <b>\$ 476,616,843</b> |

**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 2025 and 2024 increased by \$34.9 million, including a \$5.5 million restatement to the beginning net position in 2025. The District's net investment in capital assets is \$578.2 million and includes investments in capital assets (e.g. land, building, equipment, improvements, and construction in progress) less any debt used to acquire those assets that is still outstanding. Of the remaining net position, \$57.2 million are restricted resources subject to external restrictions on how they are used, and (\$129.4) million are unrestricted resources.

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

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

**Changes in the District's Net Position**

|   | <b>Governmental Activities</b> |                       |
|---|--------------------------------|-----------------------|
|   | <b>2025</b>                    | <b>2024</b>           |
| <b>Revenues</b>   |                                |                       |
| <b>Program Revenues:</b>                                |                                |                       |
| Charges for services                                    | \$ 8,055,017                   | \$ 7,813,837          |
| Operating grants & contributions                        | 100,042,677                    | 162,928,341           |
| <b>General Revenues:</b>                                |                                |                       |
| Property taxes  | 317,882,967                    | 281,219,168           |
| State grants  | 294,803,780                    | 320,555,410           |
| Investment earnings                                     | 59,054,651                     | 48,504,923            |
| Gain on sale of assets                                  | 778,616                        | 572,256               |
| Other   | 3,584,927                      | 3,517,096             |
| <b>Total Revenues</b>                                   | <b>784,202,635</b>             | <b>825,111,031</b>    |
| <b>Expenses</b>   |                                |                       |
| Instruction   | 353,310,081                    | 409,186,092           |
| Instructional resources & media service                 | 8,584,213                      | 9,059,956             |
| Curriculum and Staff Development                        | 16,646,077                     | 23,308,045            |
| Instructional Leadership                                | 9,084,409                      | 12,050,172            |
| School Leadership                                       | 34,884,928                     | 37,375,118            |
| Guidance, counseling & evaluation                       | 27,843,671                     | 28,783,354            |
| Social Work Services                                    | 486,750                        | 1,414,741             |
| Health Services   | 8,571,526                      | 9,229,713             |
| Student Transportation                                  | 25,348,491                     | 24,584,941            |
| Food Service  | 39,792,274                     | 38,172,224            |
| Extracurricular Activities                              | 17,402,079                     | 16,883,891            |
| General Administration                                  | 19,352,079                     | 18,115,539            |
| Plant, Maintenance and Operations                       | 68,381,780                     | 65,446,777            |
| Security and Monitoring Services                        | 13,163,554                     | 11,569,061            |
| Data Processing Services                                | 30,746,513                     | 23,467,786            |
| Community Services                                      | 2,409,778                      | 3,214,883             |
| Interest and fiscal charges for long term debt          | 59,466,922                     | 44,102,253            |
| Bond Issuance Costs and fees                            | 20,356                         | 5,132,910             |
| Facilities Planning                                     | 12,726,323                     | 2,108,009             |
| Payments to fiscal agent of shared services arrangement | 263                            | 43,094                |
| Payments to Juvenile Justice Alternative Education      |                                |                       |
| Program   | 26,220                         | 39,594                |
| Intergovernmental charges                               | 1,084,749                      | 1,132,671             |
| <b>Total Expenses</b>                                   | <b>749,333,036</b>             | <b>784,420,824</b>    |
| Increase (Decrease) in Net Position                     | 34,869,599                     | 40,690,207            |
| <b>Net position - beginning (2025 restated)</b>         | <b>471,110,479</b>             | <b>435,926,636</b>    |
| <b>Net position - ending</b>                            | <b>\$ 505,980,078</b>          | <b>\$ 476,616,843</b> |

**Governmental activities.** Governmental activities increased the District's net position by \$34,869,599 primarily driven by a restatement mentioned in note 16 of this report as well a substantial decrease in expenses driven by a decrease in operating grants such as ESSER funds and an increase in data processing services expenses funded through bond funds. The total cost of all *governmental activities* this year was \$749,333,036, which is substantially lower than fiscal year 2024, this decrease is due the ESSER funds no longer being used for retention payments in fiscal year 2025. Property taxes contributed amounted to \$317,882,967 which is 42.4% of the total governmental expenses. The property taxes increased compared to last year primarily due to increases in property values, which was offset by the decrease in state funding.



**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 \$1,153,448,368 a decrease of \$147,238,633 from last year's fund balance.

|   |                         |               |
|---|-------------------------|---------------|
| Non-spendable - Inventories                                   | \$ 2,460,682            | 0.2%          |
| Restricted - grant funds                                      | 9,876,726               | 0.9%          |
| Restricted - capital acquisitions and contractual obligations | 873,069,333             | 75.7%         |
| Restricted - retirement of long-term debt                     | 62,677,267              | 5.4%          |
| Committed - self-insurance                                    | 8,000,000               | 0.7%          |
| Committed - local special revenue funds                       | 3,105,862               | 0.3%          |
| Assigned - construction and capital expenditures              | 23,407,848              | 2.0%          |
| Unassigned  | 170,850,650             | 14.8%         |
|   | <u>\$ 1,153,448,368</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 \$170,850,650. 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 29.7% of the total general fund expenditures, while total fund balance represents 31.5% of that same amount.

The general fund's fund balance decreased \$42,698,267 during the current fiscal year. The decrease is primarily due to staff payroll increases that ranged from 3% to 2% depending on the type of employee. This increase in expenses paired up with an unaltered amount of revenues when compared to last year created an operational deficiency of \$44,007,750. A restatement related to state revenue was able to offset the increase in expenses and lessen the effect of the operational deficiency in the general fund, this restatement is further described in Note 16. Other factors affecting the decrease is due to the transfers out to the capital projects funds to fund construction described in Note 8.

The debt service fund has a total fund balance of \$62,677,267 all of which is restricted for the payment of debt service. The decrease in debt services fund balance was \$32,089,856. This decrease was due to the District making regular debt payments as well as early payments on debt, such as the \$50.2 million redemption payment paid on March 2025.

The capital projects fund decreased its fund balance by \$82,685,575. This decrease is due to increased spending on capital improvements and completion of major capital projects.

The special revenue fund decreased its fund balance by \$4,890,537. This decrease is primarily due to a \$5,145,037 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, 2025, amounted to \$9,326,728, an increase of \$694,638. This is due in part to the decrease in operating expenses of \$624,300 by the District in Print Shop, Risk Management, and Curtis Culwell Center.

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

**Budgetary Highlights**

In June 2024 the Board of Trustees adopted the 2024-25 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**

- \$10,093 – Increase for local revenue for insurance reimbursement of bus accident claims.
- \$11,241,526 – Increase due to changes in the Foundation School Program Act entitlements.
- \$1,914,501 – Decrease for state revenue.

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.

- \$740,858 – Increase for FY24 PO rollovers not received by June 30, 2024.
- \$130,000 – Increase for Rowlett Police Officer Sergeant at Garland ISD position.
- \$1,000,000 – Increase for MEP/HVAC equipment and repairs throughout the district.
- \$53,741 – Increase for Texas Scenic Company Inc. to replace motor and rigging equipment for theater arts at Garland HS.
- \$21,624 - Increase for Bond Office and Surplus Warehouse lease.
- \$800,000 - Increase for Alternative Transportation Services Ever Driven and HopSkip Driver for 2024-2025 school year.
- \$10,093 - Increase for insurance reimbursement of bus accident claims.
- \$1,914,507 - Increase for TIA payout for stipends.
- \$371,933 - Decrease for Fund 654 transfer out for Maintenance Project.

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

- \$1,555,600 – Transfer out to capital projects for Fine Arts replacement of old band instruments for rotation year #2.
- \$1,521,777 – Transfer out to capital projects to repair Sachse High School HVAC chiller tower due to May 2024 storm damage.
- \$371,933 – Transfer out to capital projects for work to be done over the summer to the Natatorium.

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

After appropriations were amended as described above, actual revenues were \$11,355,134 more than final budgeted amounts due to more revenue from state funding than final budgeted estimates. Actual expenditures were \$27,714,673 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**

- No amendments

Actual revenues were \$1,346,589 greater than final budgeted amounts due to more revenue in federal sources than final budgeted estimates. Actual expenditures were \$2,267,634 less than final budget amounts due to the year-end payroll accrual being less than estimated and higher than normal vacancy rate. Year-end revenues were less than expenditures, thus decreasing existing fund balance.

**DEBT SERVICE FUND**

**Revenues**

- \$8,447,906 – Increase for local revenue for tax levy.
- \$4,887,136 – Increase for state revenue for interest income projections.

**Expenditures**

- \$50,200,000 - Increase for redeeming \$50M worth of 2015 bond which will become callable on February 15, 2025.
- \$2,000,000 - Increase for sufficient funds to finalize FY25.
- \$10,000,000 – Increase for bond issuance costs for anticipation of potential refinancing costs, however, this was not the route that the District took by the end of FY25.

After appropriations were amended as described above, actual revenues were \$9,576,381 less than final budgeted amounts, this was mostly due to a portion of revenue that had been accrued in a prior year. Actual expenditures were \$13,025,013 less than final budget amounts mostly due to budgeting of other issuance costs which expenses were not realized.

**Capital Asset and Debt Administration**

**Capital assets.** The District’s investment in capital assets (net of accumulated depreciation/amortization) for governmental activities was \$867,151,789 and \$789,087,138 as of June 30, 2025 and 2024, respectively. This investment in capital assets includes land, buildings and improvements, furniture and equipment, rights to use assets and SBITAs.

|                                 | <b>Governmental Activities</b> |                       |
|---------------------------------|--------------------------------|-----------------------|
|                                 | <b>2025</b>                    | <b>2024</b>           |
|                                 | <b>Amount</b>                  | <b>Amount</b>         |
| Land                            | \$ 46,202,953                  | \$ 35,835,595         |
| Land improvements, net          | 10,299,094                     | 16,341,135            |
| Construction in progress        | 135,350,144                    | 56,817,919            |
| Buildings and improvements, net | 630,913,063                    | 636,119,077           |
| Furniture and equipment, net    | 36,290,328                     | 28,574,587            |
| Right-to-use assets, net        | 8,096,207                      | 15,398,825            |
| <b>Total</b>                    | <b>\$ 867,151,789</b>          | <b>\$ 789,087,138</b> |

## **GARLAND INDEPENDENT SCHOOL DISTRICT**

### ***MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)***

The increase in governmental capital assets is due primarily to an increase in construction in progress due to increase in new and ongoing capital projects from the 2023 Bond program. Additional information on the District's capital assets can be found in Note 4 to the financial statements.

**Long-term debt.** At June 30, 2025, the District had total bonded debt outstanding of \$1,007,345,000 an decrease of \$104,420,000 from the prior year. This decrease is due to scheduled bond payments and defeasance of future principal payments in the 2025 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 Aa1 from Moody's Investors Service and AA+ from Fitch Ratings. Additional information on the District's long-term debt can be found in Note 6 to the financial statements.

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

- The unemployment rate for the City of Garland stands at 4.3%. Dallas County has a 4.5% unemployment rate as compared to a statewide rate of 4.1% and a national average of 4.3%.
- Inflationary trends in the region tend to be similar to the national consumer price index (CPI). The region's CPI increased .6% year over year while the nation experienced a 3.0% increase.
- The District's student attendance rate for this fiscal year has been 93.8%.
- The District has appropriated revenues of \$580,250,571 and expenditures of \$640,400,915 in the 2025-26 budget of the General Fund.
- The Debt Service Fund has budgeted revenues of \$148,758,733 and expenditures of \$148,758,733 in the 2025-26 budget.
- The Student Nutrition Services Fund revenue and expenditure budgets for 2025-26 are \$39,931,119 and \$44,089,663, respectively.
- The 2025-26 budget is based on a total property tax rate of \$1.1709 per hundred dollars of assessed value. The property tax rate for maintenance and operations is \$0.7869 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 2025–26 decreased by 4.32%, primarily due to an increase in exemptions and a higher amount of value remaining under dispute at certification.

#### **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, 2025**
**Exhibit A-1**

| <b>Data<br/>Control<br/>Codes</b> |  | <b>Governmental<br/>Activities</b> |
|-----------------------------------|--|------------------------------------|
|                                   | <b>Assets</b>  |                                    |
| 1110                              | Cash and cash equivalents                                  | \$ 1,167,751,393                   |
| 1220                              | Property taxes receivables, net                            | 11,618,261                         |
| 1230                              | Allowance for uncollectible taxes                          | (883,280)                          |
| 1240                              | Due from other governments                                 | 84,969,335                         |
| 1290                              | Other receivables, net                                     | 319,549                            |
| 1300                              | Inventories  | 5,028,424                          |
| 1410                              | Prepaid items  | 2,716                              |
| 1510                              | Land   | 46,202,953                         |
| 1510                              | Land improvements, net                                     | 10,299,094                         |
| 1520                              | Buildings and improvements, net                            | 630,913,063                        |
| 1530                              | Furniture and equipment, net                               | 36,290,328                         |
| 1550                              | Right-to-use assets, net                                   | 8,096,207                          |
| 1580                              | Construction in progress                                   | 135,350,144                        |
| 1800                              | Restricted assets  | 5,000,000                          |
| <b>1000</b>                       | <b>Total Assets</b>  | <b>2,140,958,187</b>               |
|                                   | <b>Deferred Outflows of Resources</b>                      |                                    |
|                                   | Deferred charge on refunding                               | 1,196,668                          |
|                                   | Deferred outflows - pension                                | 50,812,647                         |
|                                   | Deferred outflows - OPEB                                   | 59,346,023                         |
| <b>1700</b>                       | <b>Total Deferred Outflows of Resources</b>                | <b>111,355,338</b>                 |
|                                   | <b>Liabilities</b>   |                                    |
| 2110                              | Accounts payable   | 40,037,478                         |
| 2140                              | Interest payable   | 18,274,306                         |
| 2150                              | Payroll deductions and withholdings                        | 2,005,532                          |
| 2160                              | Accrued wages  | 55,059,546                         |
| 2180                              | Due to other governments                                   | 21,897                             |
| 2200                              | Accrued expenses payable                                   | 348,568                            |
| 2300                              | Unearned revenue   | 2,888,993                          |
|                                   | Noncurrent Liabilities:                                    |                                    |
|                                   | Due within one year:                                       |                                    |
| 2501                              | Bonds, notes, leases, SBITAs, claims, compensated absences | 64,645,940                         |
|                                   | Due in more than one year:                                 |                                    |
| 2502                              | Bonds, notes, leases, SBITAs, claims, compensated absences | 1,100,404,193                      |
| 2540                              | Net pension liability                                      | 208,555,196                        |
| 2545                              | Net OPEB liability   | 129,950,796                        |
| <b>2000</b>                       | <b>Total Liabilities</b>                                   | <b>1,622,192,445</b>               |
|                                   | <b>Deferred Inflows of Resources</b>                       |                                    |
|                                   | Deferred inflows - pension                                 | 6,233,953                          |
|                                   | Deferred inflows - OPEB                                    | 117,907,049                        |
| <b>2600</b>                       | <b>Total Deferred Inflows of Resources</b>                 | <b>124,141,002</b>                 |
|                                   | <b>Net Position</b>  |                                    |
| 3200                              | Net investment in capital assets                           | 578,151,122                        |
|                                   | Restricted for:  |                                    |
| 3820                              | Federal and state programs                                 | 9,876,726                          |
| 3850                              | Debt service   | 47,348,924                         |
| 3900                              | Unrestricted   | (129,396,694)                      |
| <b>3000</b>                       | <b>Total Net Position</b>                                  | <b>\$ 505,980,078</b>              |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

**Exhibit B-1**

| Data<br>Control<br>Codes | Functions/Programs  | Program Revenues      |                            |  | Net (Expense)<br>Revenue and Changes<br>in Net Position |
|--------------------------|---|-----------------------|----------------------------|--|---|
|                          |   | Expenses              | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities                              |
|                          | <b>Governmental Activities:</b>                               |                       |                            |  |   |
| 11                       | Instruction   | \$ 353,310,081        | \$ 1,810,364               | \$ 54,222,857                            | \$ (297,276,860)  |
| 12                       | Instructional resources & media service                       | 8,584,213             | 192,495                    | 236,181                                  | (8,155,537)   |
| 13                       | Curriculum and Staff Development                              | 16,646,077            | 41,950                     | 3,901,101                                | (12,703,026)  |
| 21                       | Instructional Leadership                                      | 9,084,409             | 10,359                     | 157,457                                  | (8,916,593)   |
| 23                       | School Leadership   | 34,884,928            | 266,103                    | 783,323                                  | (33,835,502)  |
| 31                       | Guidance, counseling & evaluation                             | 27,843,671            | 1,549                      | 891,956                                  | (26,950,166)  |
| 32                       | Social Work Services  | 486,750               | -                          | 6,774                                    | (479,976)   |
| 33                       | Health Services   | 8,571,526             | 1,717                      | 4,351,787                                | (4,218,022)   |
| 34                       | Student Transportation  | 25,348,491            | -                          | 242,833                                  | (25,105,658)  |
| 35                       | Food Service  | 39,792,274            | 3,321,423                  | 33,862,715                               | (2,608,136)   |
| 36                       | Extracurricular Activities                                    | 17,402,079            | 2,356,957                  | 90,804                                   | (14,954,318)  |
| 41                       | General Administration  | 19,352,079            | -                          | 389,646                                  | (18,962,433)  |
| 51                       | Plant, Maintenance and Operations                             | 68,381,780            | 1,835                      | 498,000                                  | (67,881,945)  |
| 52                       | Security and Monitoring Services                              | 13,163,554            | 16,185                     | 51,550                                   | (13,095,819)  |
| 53                       | Data Processing Services                                      | 30,746,513            | -                          | 93,655                                   | (30,652,858)  |
| 61                       | Community Services  | 2,409,778             | 34,080                     | 172,681                                  | (2,203,017)   |
| 72                       | Interest and fiscal charges for long term debt                | 59,466,922            | -                          | 71,978                                   | (59,394,944)  |
| 73                       | Bond Issuance Costs and fees                                  | 20,356                | -                          | -  | (20,356)  |
| 81                       | Facilities Planning   | 12,726,323            | -                          | 17,116                                   | (12,709,207)  |
| 93                       | Payments related to shared services<br>arrangements           | 263                   | -                          | 263                                      | -   |
| 95                       | Payments to Juvenile Justice Alternative<br>Education Program | 26,220                | -                          | -  | (26,220)  |
| 99                       | Payments to appraisal district                                | 1,084,749             | -                          | -  | (1,084,749)   |
| <b>TG</b>                | <b>Total Governmental Activities</b>                          | <u>\$ 749,333,036</u> | <u>\$ 8,055,017</u>        | <u>\$ 100,042,677</u>                    | <u>(641,235,342)</u>                                    |
| <b>General Revenues:</b> |   |                       |                            |  |   |
| Taxes:                   |   |                       |                            |  |   |
| <b>MT</b>                | Property taxes, levied for general purposes                   |                       |                            |  | 201,720,584   |
| <b>DT</b>                | Property taxes, levied for debt service                       |                       |                            |  | 116,162,383   |
| <b>SF</b>                | State-aid formula grants - unrestricted                       |                       |                            |  | 294,803,780   |
| <b>IE</b>                | Investment earnings   |                       |                            |  | 59,054,651  |
| <b>MI</b>                | Miscellaneous   |                       |                            |  | 3,584,927   |
| <b>S1</b>                | Gain on sale of assets  |                       |                            |  | 778,616   |
| <b>TR</b>                | <b>Total General Revenues</b>                                 |                       |                            |  | <u>676,104,941</u>                                      |
| <b>CN</b>                | Change in net position  |                       |                            |  | 34,869,599  |
| <b>NB</b>                | <b>Net Position - Beginning, as Previously Reported</b>       |                       |                            |  | <u>461,491,241</u>                                      |
| <b>PA</b>                | Restatement (see Note 16)                                     |                       |                            |  | 9,619,238   |
| <b>NB</b>                | <b>Net Position - Beginning, as Restated</b>                  |                       |                            |  | <u>471,110,479</u>                                      |
| <b>NE</b>                | <b>Net Position - Ending</b>                                  |                       |                            |  | <u>\$ 505,980,078</u>                                   |



**GARLAND INDEPENDENT SCHOOL DISTRICT**
**Exhibit C-1**
**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2025**

| Data<br>Control<br>Codes   |  | General Fund          | Debt Service<br>Fund | Capital Project       | Special Revenue<br>Fund | Total<br>Governmental<br>Funds |
|--|--|-----------------------|----------------------|-----------------------|-------------------------|--------------------------------|
| <b>Assets</b>  |  |                       |                      |                       |                         |                                |
| 1110   | Cash and cash equivalents  | \$ 155,037,952        | \$ 58,574,529        | \$ 928,185,863        | \$ 14,315,863           | \$ 1,156,114,207               |
|  | Receivables:   |                       |                      |                       |                         |                                |
| 1220   | Delinquent property taxes receivables  | 7,935,763             | 3,682,498            | -                     | -                       | 11,618,261                     |
| 1230   | Allowance for uncollectible taxes (credit)                                     | (729,584)             | (153,696)            | -                     | -                       | (883,280)                      |
| 1240   | Receivables from other governments   | 75,084,689            | -                    | -                     | 9,884,646               | 84,969,335                     |
| 1260   | Due from other funds   | 7,783,830             | -                    | -                     | -                       | 7,783,830                      |
| 1290   | Other receivables  | 245,062               | -                    | -                     | -                       | 245,062                        |
| 1300   | Inventories  | 2,460,682             | -                    | -                     | 2,567,742               | 5,028,424                      |
| 1410   | Prepaid items  | -                     | -                    | -                     | 2,716                   | 2,716                          |
| 1800   | Restricted assets  | -                     | 5,000,000            | -                     | -                       | 5,000,000                      |
| <b>1000</b>  | <b>Total Assets</b>  | <b>\$ 247,818,394</b> | <b>\$ 67,103,331</b> | <b>\$ 928,185,863</b> | <b>\$ 26,770,967</b>    | <b>\$ 1,269,878,555</b>        |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances</b> |  |                       |                      |                       |                         |                                |
| <b>Liabilities:</b>  |  |                       |                      |                       |                         |                                |
| 2110   | Accounts payable   | \$ 6,176,424          | \$ 1,354             | \$ 31,708,682         | \$ 2,077,152            | \$ 39,963,612                  |
| 2150   | Payroll deduction and withholdings   | 2,005,532             | -                    | -                     | -                       | 2,005,532                      |
| 2160   | Accrued wages payable  | 52,631,597            | -                    | -                     | 2,946,469               | 55,578,066                     |
| 2170   | Due to other funds   | -                     | -                    | -                     | 7,783,830               | 7,783,830                      |
| 2180   | Due to other governments   | 21,897                | -                    | -                     | -                       | 21,897                         |
| 2200   | Accrued expenditures   | 137,627               | -                    | -                     | 210,941                 | 348,568                        |
| 2300   | Unearned revenue   | 84,528                | 1,485,874            | -                     | 769,987                 | 2,340,389                      |
| <b>2000</b>  | <b>Total Liabilities</b>   | <b>61,057,605</b>     | <b>1,487,228</b>     | <b>31,708,682</b>     | <b>13,788,379</b>       | <b>108,041,894</b>             |
| <b>Deferred Inflows of Resources</b>                                     |  |                       |                      |                       |                         |                                |
|  | Unavailable revenue - property taxes   | 5,449,457             | 2,938,836            | -                     | -                       | 8,388,293                      |
| <b>2600</b>  | <b>Total Deferred Inflows of Resources</b>                                     | <b>5,449,457</b>      | <b>2,938,836</b>     | <b>-</b>              | <b>-</b>                | <b>8,388,293</b>               |
| <b>Fund Balances:</b>  |  |                       |                      |                       |                         |                                |
|  | Nonspendable :   |                       |                      |                       |                         |                                |
| 3410   | Inventories  | 2,460,682             | -                    | -                     | -                       | 2,460,682                      |
|  | Restricted:  |                       |                      |                       |                         |                                |
| 3450   | Grant funds  | -                     | -                    | -                     | 9,876,726               | 9,876,726                      |
| 3470   | Capital acquisitions   | -                     | -                    | 873,069,333           | -                       | 873,069,333                    |
| 3480   | Debt service   | -                     | 62,677,267           | -                     | -                       | 62,677,267                     |
|  | Committed:   |                       |                      |                       |                         |                                |
| 3540   | Self insurance   | 8,000,000             | -                    | -                     | -                       | 8,000,000                      |
| 3545   | Local special revenue fund   | -                     | -                    | -                     | 3,105,862               | 3,105,862                      |
|  | Assigned:  |                       |                      |                       |                         |                                |
| 3550   | Construction repairs, renovations  | -                     | -                    | 23,407,848            | -                       | 23,407,848                     |
| 3600   | Unassigned   | 170,850,650           | -                    | -                     | -                       | 170,850,650                    |
| <b>3000</b>  | <b>Total Fund Balances</b>   | <b>181,311,332</b>    | <b>62,677,267</b>    | <b>896,477,181</b>    | <b>12,982,588</b>       | <b>1,153,448,368</b>           |
| <b>4000</b>  | <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 247,818,394</b> | <b>\$ 67,103,331</b> | <b>\$ 928,185,863</b> | <b>\$ 26,770,967</b>    | <b>\$ 1,269,878,555</b>        |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

**Exhibit C-1R**

| <b>Data<br/>Control<br/>Codes</b> |  |                              |
|-----------------------------------|--|------------------------------|
|                                   | <b>Total Fund Balance, Governmental Funds</b>  | <b>\$ 1,153,448,368</b>      |
|                                   | Amounts reported for governmental activities in the statement of net position (A-1) are different because:   |                              |
| <b>1</b>                          | 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   | 862,832,652                  |
| <b>2</b>                          | 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).   | 8,388,293                    |
| <b>3</b>                          | Deferred charges on refunding  | 1,196,668                    |
|                                   | 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. |                              |
| <b>4</b>                          | Deferred outflows - pension related  | 50,812,647                   |
| <b>5</b>                          | Deferred inflows - pension related   | (6,233,953)                  |
| <b>6</b>                          | Deferred outflows - OPEB related   | 59,346,023                   |
| <b>7</b>                          | Deferred inflows - OPEB related  | (117,907,049)                |
|                                   | 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:   |                              |
| <b>8</b>                          | General obligation bonds   | (1,007,345,000)              |
| <b>9</b>                          | Premiums on issuance   | (109,698,838)                |
| <b>10</b>                         | Note Payable   | (6,503,134)                  |
| <b>11</b>                         | Leases Payable   | (4,577,586)                  |
| <b>12</b>                         | SBITA Payable  | (582,498)                    |
| <b>13</b>                         | Arbitrage Liability  | (24,218,257)                 |
| <b>14</b>                         | Accrued interest payable   | (18,267,179)                 |
| <b>15</b>                         | Long-term portion of compensated absences  | (5,531,815)                  |
| <b>16</b>                         | Net pension liability  | (208,555,196)                |
| <b>17</b>                         | Net OPEB liability   | (129,950,796)                |
| <b>18</b>                         | Addition of Internal Service fund net position   | <u>9,326,728</u>             |
| <b>29</b>                         | <b>Total Net Position - Governmental Activities</b>  | <b><u>\$ 505,980,078</u></b> |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit C-2**

| Data Control Codes                    |  | General Fund          | Debt Service Fund    | Capital Project       | Special Revenue Fund | Total Governmental Funds |
|---------------------------------------|--|-----------------------|----------------------|-----------------------|----------------------|--------------------------|
| <b>Revenues</b>                       |  |                       |                      |                       |                      |                          |
| 5700                                  | Local and intermediate sources                             | \$ 214,167,626        | \$ 119,117,815       | \$ 45,598,737         | \$ 9,248,861         | \$ 388,133,039           |
| 5800                                  | State program revenues                                     | 308,138,127           | 11,729,260           | -                     | 7,088,750            | 326,956,137              |
| 5900                                  | Federal program revenues                                   | 9,738,801             | 239,323              | 9,855,095             | 71,677,161           | 91,510,380               |
| <b>5020</b>                           | <b>Total Revenues</b>                                      | <b>532,044,554</b>    | <b>131,086,398</b>   | <b>55,453,832</b>     | <b>88,014,772</b>    | <b>806,599,556</b>       |
| <b>Expenditures</b>                   |  |                       |                      |                       |                      |                          |
| Current:                              |  |                       |                      |                       |                      |                          |
| 0011                                  | Instruction  | 320,507,333           | -                    | 2,820,463             | 41,338,350           | 364,666,146              |
| 0012                                  | Instruction resources and media services                   | 8,426,628             | -                    | -                     | 303,744              | 8,730,372                |
| 0013                                  | Curriculum and instructional staff development             | 14,802,732            | -                    | -                     | 2,709,292            | 17,512,024               |
| 0021                                  | Instructional leadership                                   | 9,450,016             | -                    | -                     | 30,064               | 9,480,080                |
| 0023                                  | School leadership  | 36,179,914            | -                    | -                     | 517,141              | 36,697,055               |
| 0031                                  | Guidance, counseling and evaluation services               | 28,527,681            | -                    | -                     | 531,526              | 29,059,207               |
| 0032                                  | Social work services                                       | 475,750               | -                    | -                     | -                    | 475,750                  |
| 0033                                  | Health services  | 8,990,902             | -                    | -                     | 6,579                | 8,997,481                |
| 0034                                  | Student transportation                                     | 23,325,785            | -                    | 140,479               | 48,592               | 23,514,856               |
| 0035                                  | Food service   | 48,730                | -                    | -                     | 43,208,659           | 43,257,389               |
| 0036                                  | Extracurricular activities                                 | 13,560,867            | -                    | -                     | 2,215,474            | 15,776,341               |
| 0041                                  | General administration                                     | 19,812,049            | -                    | -                     | 124,134              | 19,936,183               |
| 0051                                  | Facilities maintenance and operations                      | 59,387,147            | -                    | 628,446               | 1,735                | 60,017,328               |
| 0052                                  | Security and monitoring services                           | 11,720,233            | -                    | -                     | 1,644,888            | 13,365,121               |
| 0053                                  | Data processing services                                   | 15,621,321            | -                    | 30,012,029            | -                    | 45,633,350               |
| 0061                                  | Community services   | 1,576,359             | -                    | -                     | 162,130              | 1,738,489                |
| Debt service:                         |  |                       |                      |                       |                      |                          |
| 0071                                  | Principal on long-term debt                                | 2,532,570             | 104,420,000          | 41,121                | 71,978               | 107,065,669              |
| 0072                                  | Interest on long-term debt                                 | -                     | 58,735,898           | -                     | -                    | 58,735,898               |
| 0073                                  | Bond issuance costs and fees                               | -                     | 20,356               | -                     | -                    | 20,356                   |
| Capital outlay:                       |  |                       |                      |                       |                      |                          |
| 0081                                  | Facilities acquisition and construction                    | -                     | -                    | 111,251,763           | -                    | 111,251,763              |
| Intergovernmental:                    |  |                       |                      |                       |                      |                          |
| 0093                                  | Payments related to shared services arrangements           | -                     | -                    | -                     | 263                  | 263                      |
| 0095                                  | Payments to Juvenile Justice Alternative Education Program | 26,220                | -                    | -                     | -                    | 26,220                   |
| 0099                                  | Payments to appraisal district                             | 1,080,067             | -                    | -                     | -                    | 1,080,067                |
| <b>6030</b>                           | <b>Total Expenditures</b>                                  | <b>576,052,304</b>    | <b>163,176,254</b>   | <b>144,894,301</b>    | <b>92,914,549</b>    | <b>977,037,408</b>       |
| 1100                                  | Excess (deficiency) of revenues over (under) expenditures  | (44,007,750)          | (32,089,856)         | (89,440,469)          | (4,899,777)          | (170,437,852)            |
| <b>Other Financing Sources (Uses)</b> |  |                       |                      |                       |                      |                          |
| 7912                                  | Sale of real or personal property                          | 279,984               | -                    | 527,339               | 9,240                | 816,563                  |
| 7913                                  | Issuance of leases   | 4,478,809             | -                    | 826,465               | -                    | 5,305,274                |
| 7914                                  | Issuance of loans  | -                     | -                    | 1,951,780             | -                    | 1,951,780                |
| 7915                                  | Transfers in   | -                     | -                    | 3,449,310             | -                    | 3,449,310                |
| 8911                                  | Transfers out  | (3,449,310)           | -                    | -                     | -                    | (3,449,310)              |
| <b>7080</b>                           | <b>Total Other Financing Sources (Uses)</b>                | <b>1,309,483</b>      | <b>-</b>             | <b>6,754,894</b>      | <b>9,240</b>         | <b>8,073,617</b>         |
| 1200                                  | Net change in fund balances                                | (42,698,267)          | (32,089,856)         | (82,685,575)          | (4,890,537)          | (162,364,235)            |
| <b>0100</b>                           | <b>Fund Balances - Beginning, as Previously Reported</b>   | <b>208,883,997</b>    | <b>94,767,123</b>    | <b>979,162,756</b>    | <b>17,873,125</b>    | <b>1,300,687,001</b>     |
| 1300                                  | Restatement (see Note 16)                                  | 15,125,602            | -                    | -                     | -                    | 15,125,602               |
| <b>3000</b>                           | <b>Fund Balances - Ending</b>                              | <b>\$ 181,311,332</b> | <b>\$ 62,677,267</b> | <b>\$ 896,477,181</b> | <b>\$ 12,982,588</b> | <b>\$ 1,153,448,368</b>  |

**GARLAND INDEPENDENT SCHOOL DISTRICT****Exhibit C-2R**

**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, 2025**

Data  
Control  
Codes

|   |  |                         |
|---|--|-------------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds (from C-2)</b>  |  | <b>\$ (162,364,235)</b> |
| 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.  |  |                         |
| <b>1</b>  | Capital outlay   | 137,875,888             |
| <b>2</b>  | Depreciation/amortization  | (39,029,192)            |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.  |  |                         |
| <b>3</b>  | Gain (loss) on sale of assets  | (10,971,495)            |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.  |  |                         |
| <b>4</b>  | Earned but unavailable taxes   | 258,055                 |
| 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. |  |                         |
| <b>5</b>  | Lease issued   | (5,305,274)             |
| <b>6</b>  | Principal paid on bonds  | 104,420,000             |
| <b>7</b>  | Principal paid on leases   | 803,589                 |
| <b>8</b>  | Principal paid on SBITAs   | 1,208,001               |
| <b>9</b>  | Principal paid on SECO loan  | 419,415                 |
| 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.   |  |                         |
| <b>10</b>   | Note issued  | (1,951,780)             |
| 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:   |  |                         |
| <b>11</b>   | Accrued interest on long-term debt   | 5,440,078               |
| <b>12</b>   | Amortization of deferred charge on refunded bonds  | (251,894)               |
| <b>13</b>   | Amortization of bond premium and discounts   | 7,242,405               |
| <b>14</b>   | Gain (loss) on termination of SBITA  | 182,924                 |
| <b>15</b>   | Increase in arbitrage liability  | (12,946,949)            |
| <b>16</b>   | Compensated absences   | 1,072,282               |
| <b>17</b>   | Changes in net pension liabilities and related deferred outflows and inflows of resources  | (10,710,621)            |
| <b>18</b>   | Changes in net OPEB liabilities and related deferred outflows and inflows of resources   | 18,783,764              |
| <b>19</b>   | 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). | 694,638                 |
| <b>Change in Net Position of Governmental Activities</b>  |  | <b>\$ 34,869,599</b>    |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2025**

*Exhibit D-1*

|  | <u>Governmental Activities</u> |
|--|--------------------------------|
|  | <u>Internal Service Funds</u>  |
| <b>Assets</b>  |                                |
| <b>Current Assets:</b>                               |                                |
| Cash and cash equivalents                            | \$ 11,637,186                  |
| Other receivables                                    | 74,487                         |
| <b>Total Current Assets</b>                          | <u>11,711,673</u>              |
| <b>Non-Current Assets:</b>                           |                                |
| Capital Assets:                                      |                                |
| Land improvements                                    | 263,568                        |
| Building and improvements                            | 699,235                        |
| Furniture and equipment                              | 4,395,382                      |
| Right to use asset - equipment                       | 5,001,199                      |
| Accumulated depreciation - other land improvements   | (37,352)                       |
| Accumulated depreciation - building and improvements | (257,860)                      |
| Accumulated depreciation - furniture and equipment   | (3,615,450)                    |
| Accumulated amortization - right to use equipment    | (2,129,585)                    |
| <b>Total Non-Current Assets</b>                      | <u>4,319,137</u>               |
| <b>Total Assets</b>                                  | <u>\$ 16,030,810</u>           |
| <b>Liabilities and Net Position</b>                  |                                |
| <b>Liabilities</b>                                   |                                |
| <b>Current Liabilities:</b>                          |                                |
| Accounts payable                                     | \$ 73,866                      |
| Interest payable                                     | 7,127                          |
| Accrued wages payable                                | 12,220                         |
| Unearned revenue                                     | 548,604                        |
| <b>Total Current Liabilities</b>                     | <u>641,817</u>                 |
| <b>Non-Current Liabilities:</b>                      |                                |
| Due within one year:                                 |                                |
| Claims payable                                       | 2,156,276                      |
| Lease payable  | 874,078                        |
| Due in more than one year:                           |                                |
| Claims liability long term                           | 1,055,059                      |
| Lease payable  | 1,976,852                      |
| <b>Total Non-Current Liabilities</b>                 | <u>6,062,265</u>               |
| <b>Total Liabilities</b>                             | <u>6,704,082</u>               |
| <b>Net Position</b>                                  |                                |
| Net investment in capital assets                     | 1,468,207                      |
| Unrestricted net position                            | 7,858,521                      |
| <b>Total Net Position</b>                            | <u>9,326,728</u>               |
| <b>Total Liabilities and Net Position</b>            | <u>\$ 16,030,810</u>           |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2025**

*Exhibit D-2*

|  | <b>Governmental<br/>Activities</b>      |
|--|---|
|  | <b>Total Internal<br/>Service Funds</b> |
| <b>Operating Revenues</b>                      |   |
| Local and intermediate sources                 | \$ 8,931,357                            |
| <b>Total Operating Revenues</b>                | <u>8,931,357</u>                        |
| <b>Operating Expenses</b>                      |   |
| Payroll costs                                  | 2,618,938                               |
| Purchased and contracted services              | 1,993,564                               |
| Supplies and materials                         | 509,599                                 |
| Other operating costs                          | 1,777,773                               |
| Depreciation/Amortization                      | <u>1,201,357</u>                        |
| <b>Total Operating Expenses</b>                | <u>8,101,231</u>                        |
| Operating Income (Loss)                        | <u>830,126</u>                          |
| <b>Non-Operating Revenues (Expenses)</b>       |   |
| Interest on leases                             | (97,541)                                |
| Gain (loss) on disposal of capital assets      | <u>(37,947)</u>                         |
| <b>Total Non-Operating Revenues (Expenses)</b> | <u>(135,488)</u>                        |
| Change in Net Position                         | 694,638                                 |
| <b>Total Net Position - July 1 (Beginning)</b> | <u>8,632,090</u>                        |
| <b>Total Net Position - June 30 (Ending)</b>   | <u><u>\$ 9,326,728</u></u>              |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2025**

*Exhibit D-3*

|   | <u>Governmental<br/>Activities</u>      |
|---|---|
|   | <u>Total Internal<br/>Service Funds</u> |
| <b>Cash Flows from Operating Activities:</b>  |   |
| Cash received from user charges   | \$ 5,571,396                            |
| Cash received from assessments - other funds  | 3,367,867                               |
| Cash payments to employees for services   | (2,639,510)                             |
| Cash payments for insurance claims  | (2,162,324)                             |
| Cash payments to suppliers  | (809,185)                               |
| Cash payments for other operating expenses  | (101,093)                               |
| Cash payments for professional and contracted services  | (1,977,657)                             |
| <b>Net Cash Provided by (Used for) Operating Activities</b>   | <u>1,249,494</u>                        |
| <b>Cash Flows from Capital Financing Activities:</b>  |   |
| Acquisition of capital assets   | (36,141)                                |
| Lease payments  | (869,034)                               |
| Lease interest expense  | (97,541)                                |
| Proceeds from sale of capital assets  | (6,598)                                 |
| <b>Net Cash Provided by (Used for) Capital Financing Activities</b>   | <u>(1,009,314)</u>                      |
| Net Increase (Decrease) in Cash and Cash Equivalents  | 240,180                                 |
| <b>Cash and Cash Equivalents at Beginning of Year</b>   | <u>11,397,006</u>                       |
| <b>Cash and Cash Equivalents at End of Year</b>   | <u>\$ 11,637,186</u>                    |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by (Used for) Operating Activities:</b> |   |
| Operating Income (Loss)   | \$ 830,126                              |
| Adjustments to Reconcile Operating Income (Loss) to Net<br>Cash Provided by (Used for) Operating Activities:  |   |
| Depreciation/amortization   | 1,201,357                               |
| Change in Assets and Liabilities:   |   |
| Decrease (increase) in other receivables  | (31,816)                                |
| Increase (decrease) in accounts payable   | (275,937)                               |
| Increase (decrease) in interest payable   | (2,173)                                 |
| Increase (decrease) in wages payable  | 5,675                                   |
| Increase (decrease) in unearned revenue   | 7,906                                   |
| Increase (decrease) in claims liabilities   | (485,644)                               |
| <b>Net Cash Provided by (Used for) Operating Activities</b>   | <u>\$ 1,249,494</u>                     |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2025**

*Exhibit E-1*

|   | <b>Custodial<br/>Funds</b> |
|---|----------------------------|
| <b>Assets</b>                               |                            |
| Cash and cash equivalents                   | \$ 832,828                 |
| <b>Total Assets</b>                         | <u>\$ 832,828</u>          |
| <b>Liabilities and Net Position</b>         |                            |
| <b>Liabilities</b>                          |                            |
| Accounts payable                            | \$ 27,661                  |
| Accrued wages payable                       | 8,918                      |
| <b>Total Liabilities</b>                    | <u>36,579</u>              |
| <b>Net Position</b>                         |                            |
| Restricted for student and other activities | 796,249                    |
| <b>Total Net Position</b>                   | <u>796,249</u>             |
| <b>Total Liabilities and Net Position</b>   | <u>\$ 832,828</u>          |



**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2025**

*Exhibit E-2*

|                                 | <b>Custodial<br/>Funds</b> |
|---------------------------------|----------------------------|
| <b>Additions</b>                |                            |
| Activity fund revenues          | \$ 1,031,775               |
| <b>Total Additions</b>          | <u>1,031,775</u>           |
| <b>Deductions</b>               |                            |
| Activity fund expenses          | 11,518                     |
| Administrative expenses         | 376,998                    |
| Supplies and materials          | 246,048                    |
| Other                           | 475,679                    |
| <b>Total Deductions</b>         | <u>1,110,243</u>           |
| Change in Net Position          | (78,468)                   |
| <b>Net Position - Beginning</b> | <u>874,717</u>             |
| <b>Net Position - Ending</b>    | <u><u>\$ 796,249</u></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 \$8 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.) Treasury 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, 2025 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.6669 and \$0.3840 per \$100 valuation, respectively, for a total of \$1.0509 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, 2025, taxes receivable net of estimated uncollectible taxes, aggregated \$7,206,179 and \$3,528,798 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.

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.

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.

**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:

| <b>Asset Class</b>         | <b>Estimated Useful Lives or Amortization Term</b>                                    |
|----------------------------|---|
| Land Improvements          | 20 years  |
| Buildings and improvements | 10 - 45 years   |
| Furniture and equipment    | 3 - 20 years  |
| Right-to-use lease assets  | Shorter of the lease term or the useful life of the underlying asset as defined above |
| SBITA asset                | Subscription term   |

**Leases**

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

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

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

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

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

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

**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.

**Compensated Absences**

Garland ISD provides various forms of compensated leave to its employees in accordance with state law and local board policy. Under GASB Statement No. 101, Compensated Absences, the District recognizes liabilities for leave that (1) is attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used for time off or otherwise paid to the employee. The types of leave identified to meet the liability triggering liability mentioned above were found to be the following types of leave:

- 1) State Leave
- 2) Personal Leave
- 3) Compensatory Time
- 4) Vacation Days

The liability booked for these types of leave also considered historical payouts, maximum possible accruals and tax portions related to the maximum payouts.

**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.

**Note 1. Summary of Significant Accounting Policies (continued)**

**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, 2025 will change.

**Implementation of New Standards**

GASB issued Statement No. 101, *Compensated Absences*, was issued in June 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in 2025 and the impact is reflected in the financial statements. See Note 16 for more information.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2025 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, 2025, the carrying amount of the District's deposits was \$31,871,952 and the bank balance was \$34,566,085 in addition, the District had various petty cash balances held at different locations amounting to \$2,710.

The District's entire bank balance on June 30, 2025 was covered by federal depository insurance or by collateral held by the District's agent in the District's name. During the period, the District's deposits were fully secured with FDIC coverage and pledged collateral.

In addition, \$5,000,000 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.

**Note 2. Cash and Investments (continued)**

At June 30, 2025, the District's exposure to interest rate risk, as measured by the segmented time distribution by investment type, is summarized below:

|                          | Rating | Carrying<br>Amount/<br>Fair Value | Investment Maturities in Months |             |             |
|--------------------------|--------|-----------------------------------|---------------------------------|-------------|-------------|
|                          |        |                                   | Less than 1                     | 1 to 6      | 7 to 12     |
| TexPool                  | AAAm   | \$ 501,967,012                    | \$ 501,967,012                  | \$ -        | \$ -        |
| Texas CLASS              | AAAm   | 377,079,827                       | 377,079,827                     | -           | -           |
| Lone Star                | AAAm   | 260,162,720                       | 260,162,720                     | -           | -           |
| US Bank                  | AA+    | 2,500,000                         | 2,500,000                       | -           | -           |
| <b>Total Investments</b> |        | <b>\$ 1,141,709,559</b>           | <b>\$ 1,141,709,559</b>         | <b>\$ -</b> | <b>\$ -</b> |

Investments' fair value measurements are as follows at June 30, 2025:

| Investments              | Fair Value              | Fair Value Measurements Using |                     |                |
|--------------------------|-------------------------|-------------------------------|---------------------|----------------|
|                          |                         | Level 1 Inputs                | Level 2 Inputs      | Level 3 Inputs |
| TexPool                  | \$ 501,967,012          | \$ 501,967,012                | \$ -                | \$ -           |
| Texas CLASS              | 377,079,827             | 377,079,827                   | -                   | -              |
| Lone Star                | 260,162,720             | 260,162,720                   | -                   | -              |
| US Bank                  | 2,500,000               | -                             | 2,500,000           | -              |
| <b>Total Investments</b> | <b>\$ 1,141,709,559</b> | <b>\$ 1,139,209,559</b>       | <b>\$ 2,500,000</b> | <b>\$ -</b>    |

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

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The fair value of the U.S. Treasury securities on June 30, 2025 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.

**Note 2. Cash and Investments (continued)**

**Lone Star's Government Overnight Fund is Authorized for the Following Investments**

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

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

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

No-load money market mutual funds regulated by the Securities and Exchange Commission (SEC) that invest exclusively in authorized Government Overnight Fund investments, provided the Government Overnight Fund shall not invest its funds in any one money market mutual fund in an amount that exceeds (i) 25 percent of the Government Overnight Fund's total assets or (ii) 10 percent of the total assets of such money market mutual fund. Lone Star's Government Overnight Fund seeks to maintain a dollar-weighted average maturity of 60 days or fewer. As of June 30, 2025, the fund had a weighted average maturity of 32 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").

**Note 2. Cash and Investments (continued)**

**TexPool is authorized for the following investments (continued)**

Securities lending programs that comply various limitations.

The weighted average maturity of TexPool cannot exceed 60 days. As of June 30, 2025, TexPool had a weighted average maturity of 41 days.

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

**Texas CLASS is Authorized for the Following Investments**

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

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

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

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

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

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

**Note 2. Cash and Investments (continued)**

**Texas CLASS is Authorized for the Following Investments (continued)**

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

Securities lending programs that comply with various limitations.

Bankers' acceptances that comply with the Investment Act

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

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

Guaranteed investment contracts that comply with the Investment Act.

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

The weighted average maturity of Texas CLASS cannot exceed 60 days. As of June 30, 2025, Texas CLASS has a weighted average maturity of 37 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, 2025, are summarized below and are reported on the combined financial statements as Due from Other Governments.

| <b>Fund</b>                 | <b>General Fund</b>  | <b>Debt Service Fund</b> | <b>Special Revenue Fund</b> | <b>Total</b>         |
|-----------------------------|----------------------|--------------------------|-----------------------------|----------------------|
| Due from the State of Texas | \$ 75,084,689        | \$ -                     | \$ 9,884,646                | \$ 84,969,335        |
| <b>Total</b>                | <b>\$ 75,084,689</b> | <b>\$ -</b>              | <b>\$ 9,884,646</b>         | <b>\$ 84,969,335</b> |



**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Exhibit F-1**

**Note 4. Capital Assets**

Capital asset activity of the District for the fiscal year ended June 30, 2025, was as follows:

|  | Balance<br>June 30, 2024 | Additions            | (Retirements)          | Transfers           | Balance<br>June 30, 2025 |
|--|--------------------------|----------------------|------------------------|---------------------|--------------------------|
| <b>Governmental Activities:</b>                              |                          |                      |                        |                     |                          |
| <b>Capital Assets, Not Being Depreciated/Amortized:</b>      |                          |                      |                        |                     |                          |
| Land   | \$ 35,835,595            | \$ 10,070,161        | \$ -                   | \$ 297,197          | \$ 46,202,953            |
| Construction in progress                                     | 56,817,919               | 106,692,311          | (212,327)              | (27,947,759)        | 135,350,144              |
| <b>Total Capital Assets, Not Being Depreciated/Amortized</b> | <b>92,653,514</b>        | <b>116,762,472</b>   | <b>(212,327)</b>       | <b>(27,650,562)</b> | <b>181,553,097</b>       |
| <b>Capital Assets, Being Depreciated/Amortized</b>           |                          |                      |                        |                     |                          |
| Land improvements  | 56,916,237               | -                    | (6,657,324)            | (282,197)           | 49,976,716               |
| Buildings and improvements                                   | 1,094,939,405            | -                    | (13,302,941)           | 27,932,759          | 1,109,569,223            |
| Furniture and equipment                                      | 168,578,973              | 16,070,463           | (2,889,463)            | -                   | 181,759,973              |
| Right-to-use building  | 331,456                  | 1,689,392            | (331,456)              | -                   | 1,689,392                |
| Right-to-use vehicles  | -                        | 3,615,882            | -                      | -                   | 3,615,882                |
| SBITA  | 15,581,978               | -                    | (14,376,680)           | -                   | 1,205,298                |
| Right-to-use - equipment                                     | 5,001,199                | -                    | -                      | -                   | 5,001,199                |
| <b>Total Capital Assets, Being Depreciated/Amortized</b>     | <b>1,341,349,248</b>     | <b>21,375,737</b>    | <b>(37,557,864)</b>    | <b>27,650,562</b>   | <b>1,352,817,683</b>     |
| <b>Less Accumulated Depreciation/Amortization for:</b>       |                          |                      |                        |                     |                          |
| Land improvements  | (40,575,102)             | (2,182,226)          | 3,079,706              | -                   | (39,677,622)             |
| Buildings and improvements                                   | (458,820,328)            | (25,735,532)         | 5,899,700              | -                   | (478,656,160)            |
| Furniture and equipment                                      | (138,726,635)            | (9,597,292)          | 2,854,282              | -                   | (145,469,645)            |
| Right-to-use - building                                      | (265,165)                | (280,109)            | 331,456                | -                   | (213,818)                |
| Right-to-use vehicles  | -                        | (428,956)            | -                      | -                   | (428,956)                |
| SBITA assets   | (5,250,643)              | (1,154,600)          | 5,762,038              | -                   | (643,205)                |
| Right-to-use - equipment                                     | (1,277,751)              | (851,834)            | -                      | -                   | (2,129,585)              |
| <b>Total Accumulated Depreciation/Amortization</b>           | <b>(644,915,624)</b>     | <b>(40,230,549)</b>  | <b>17,927,182</b>      | <b>-</b>            | <b>(667,218,991)</b>     |
| <b>Governmental Activities Capital Assets, Net</b>           | <b>\$ 789,087,138</b>    | <b>\$ 97,907,660</b> | <b>\$ (19,843,009)</b> | <b>\$ -</b>         | <b>\$ 867,151,789</b>    |

Total Governmental Activities - Capital Assets include cost of assets held in internal service funds and related accumulated depreciation/amortization amounting to \$10,359,384 and \$6,040,247 respectively.

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

| Governmental Activities |  | Depreciation/<br>Amortization<br>Expense |
|-------------------------|--|--|
| 11                      | Instruction  | \$ 11,909,629                            |
| 12                      | Instructional resources and media services                                   | 403,372                                  |
| 21                      | Instructional leadership   | 148,215                                  |
| 23                      | School leadership  | 226,705                                  |
| 31                      | Guidance, counseling and evaluation services                                 | 84,998                                   |
| 32                      | Social work services   | 37,084                                   |
| 33                      | Health services  | 99,492                                   |
| 34                      | Student transportation   | 2,790,349                                |
| 35                      | Food Services  | 2,168,557                                |
| 36                      | Cocurricular/Extracurricular activities                                      | 2,101,029                                |
| 41                      | General administration   | 260,326                                  |
| 51                      | Plant maintenance and operations   | 14,547,952                               |
| 52                      | Security and monitoring services   | 91,514                                   |
| 53                      | Data processing services   | 3,333,808                                |
| 61                      | Community services   | 826,162                                  |
|                         | Internal Service Fund Depreciation/Amortization                              | 1,201,357                                |
|                         | <b>Total Depreciation/Amortization Expense -<br/>Governmental Activities</b> | <b>\$ 40,230,549</b>                     |

**Note 4. Capital Assets (continued)**

As of June 30, 2025, the District had the following major commitments with respect to unfinished major capital projects.

| <b>Project</b>                                | <b>Project</b>        | <b>Commitment</b>     |
|---|-----------------------|-----------------------|
| Fieldhouse and Multi-Program Activity Centers | \$ 240,455,058        | \$ 205,970,650        |
| New School Replacement #4                     | 68,060,059            | 68,060,059            |
| Freeman Elementary Replacement                | 62,359,683            | 59,487,180            |
| Elementary Replacement School # 2             | 62,359,683            | 59,105,716            |
| New School Replacement # 3                    | 62,359,683            | 61,980,647            |
| Memorial Pathway Academy Renovation           | 62,359,683            | 61,948,698            |
| Lakeview Centennial High School Renovation    | 48,753,114            | 47,012,626            |
| LAN/WAN Upgrades 2023                         | 43,130,979            | 18,736,396            |
| Transportation Equipment Prop C               | 40,605,000            | 30,297,183            |
| Transportation Center Replacement             | 40,437,226            | 40,436,282            |
| South Garland High School Renovation          | 36,620,011            | 36,389,512            |
| Baseball/Softball Renovations                 | 35,000,000            | 4,365,597             |
| Network Operations Center                     | 28,117,716            | 27,683,974            |
| High School Athletic Package Renovations      | 28,157,127            | 28,004,689            |
| Agricultural Science Center                   | 27,102,019            | 26,907,780            |
| Garland High School Renovation                | 25,840,519            | 25,838,660            |
| Naaman Forest High School Renovations         | 24,062,142            | 23,159,008            |
| <b>Totals</b>                                 | <b>\$ 935,779,702</b> | <b>\$ 825,384,657</b> |

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

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>Capital Assets, Net of Depreciation/Amortization</b> | \$ 867,151,789                     |
| <b>Less:</b>  |                                    |
| General obligation bonds                                | (1,007,345,000)                    |
| Premiums  | (109,698,838)                      |
| Subscriptions payable                                   | (582,498)                          |
| Leases payable  | (7,428,516)                        |
| Notes payable   | (6,503,134)                        |
| Capital related payables                                | (31,708,682)                       |
| <b>Plus:</b>  |                                    |
| Deferred charges on refundings                          | 1,196,668                          |
| Unspent bond funds                                      | 873,069,333                        |
| <b>Net Investment in Capital Assets Per Exhibit A-1</b> | <b>\$ 578,151,122</b>              |

**Note 5. Unearned Revenue**

Governmental and internal service funds unearned revenue at June 30, 2025 consisted of the following:

|                               | <b>General Fund</b> | <b>Debt Service Fund</b> | <b>Special Revenue Fund</b> | <b>Internal Service Fund</b> | <b>Total</b>        |
|-------------------------------|---------------------|--------------------------|-----------------------------|------------------------------|---------------------|
| Food service meals            | \$ -                | \$ -                     | \$ 200,250                  | \$ -                         | \$ 200,250          |
| Grants                        | -                   | -                        | 569,737                     | -                            | 569,737             |
| Event tickets                 | -                   | -                        | -                           | 548,604                      | 548,604             |
| Property Taxes                | 84,528              | 1,485,874                | -                           | -                            | 1,570,402           |
| <b>Total Unearned Revenue</b> | <b>\$ 84,528</b>    | <b>\$ 1,485,874</b>      | <b>\$ 769,987</b>           | <b>\$ 548,604</b>            | <b>\$ 2,888,993</b> |

**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, 2025:

|                                      | <b>July 1, 2024, as restated Obligations</b> | <b>New Obligations Incurred</b> | <b>Obligations Retired or Transferred</b> | <b>June 30, 2025 Obligations</b> | <b>Due Within One Year</b> |
|--------------------------------------|--|---------------------------------|---|----------------------------------|----------------------------|
| <b>Governmental Activities:</b>      |  |                                 |   |                                  |                            |
| <b>Bonds and Notes Payable:</b>      |  |                                 |   |                                  |                            |
| General obligation bonds             | \$ 1,111,765,000                             | \$ -                            | \$ (104,420,000)                          | \$ 1,007,345,000                 | \$ 59,255,000              |
| Issuance premiums                    | 116,941,243                                  | -                               | (7,242,405)                               | 109,698,838                      | -                          |
| Notes payable                        | 4,970,769                                    | 1,951,780                       | (419,415)                                 | 6,503,134                        | 423,608                    |
| <b>Total Bonds and Notes Payable</b> | <b>1,233,677,012</b>                         | <b>1,951,780</b>                | <b>(112,081,820)</b>                      | <b>1,123,546,972</b>             | <b>59,678,608</b>          |
| <b>Other Liabilities:</b>            |  |                                 |   |                                  |                            |
| Arbitrage liability                  | 11,271,308                                   | 12,946,949                      | -   | 24,218,257                       | -                          |
| Net pension liability*               | 226,453,420                                  | -                               | (17,898,224)                              | 208,555,196                      | -                          |
| Net OPEB liability*                  | 90,791,973                                   | 39,158,823                      | -   | 129,950,796                      | -                          |
| Workers' compensation                |  |                                 |   |                                  |                            |
| Self-insurance liability             | 3,696,979                                    | 1,676,680                       | (2,162,324)                               | 3,211,335                        | 2,156,276                  |
| Right-to-use lease liability         | 3,795,865                                    | 5,305,274                       | (1,672,623)                               | 7,428,516                        | 2,032,169                  |
| Right-to-use subscription liability  | 10,588,065                                   | -                               | (10,005,567)                              | 582,498                          | 248,147                    |
| Compensated absences*                | 6,718,130                                    | -                               | (655,575)                                 | 6,062,555                        | 530,740                    |
| <b>Total Governmental Activities</b> | <b>\$ 1,586,992,752</b>                      | <b>\$ 61,039,506</b>            | <b>\$ (144,476,133)</b>                   | <b>\$ 1,503,556,125</b>          | <b>\$ 64,645,940</b>       |

\*The change in pension, OPEB and compensated absences above is a net change for the year.

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, 2025, a yield restriction/arbitrage rebate of \$24.2 million was accrued.

**Note 6. Long-Term Obligations (continued)**

Bonds payable and contractual obligations at June 30, 2025 are composed of the following individual issues:

| Description                          | Interest Rate | Amounts Original Issue  | Amounts Outstanding at July 1, 2024 | Additions   | Retired/ Refunded       | Amounts Outstanding at June 30, 2025 |
|--------------------------------------|---------------|-------------------------|-------------------------------------|-------------|-------------------------|--------------------------------------|
| Qualified School Construction        |               |                         |                                     |             |                         |                                      |
| Bonds - 2012                         |               |                         |                                     |             |                         |                                      |
| Matures 2022 - 2031                  | 4.009%        | \$ 12,485,000           | \$ 12,485,000                       | \$ -        | \$ -                    | \$ 12,485,000                        |
| Unlimited Tax Building and Refunding |               |                         |                                     |             |                         |                                      |
| Bonds - 2015A                        |               |                         |                                     |             |                         |                                      |
| Matures 2016 - 2035                  | 2.0% to 5.0%  | 185,740,000             | 131,050,000                         | -           | (62,635,000)            | 68,415,000                           |
| Unlimited Tax Refunding              |               |                         |                                     |             |                         |                                      |
| Bonds - 2016                         |               |                         |                                     |             |                         |                                      |
| Matures 2020 - 2031                  | 2.5% to 5.0%  | 40,560,000              | 24,665,000                          | -           | (3,105,000)             | 21,560,000                           |
| Unlimited Tax School Building        |               |                         |                                     |             |                         |                                      |
| Bonds - 2016                         |               |                         |                                     |             |                         |                                      |
| Matures 2017 - 2036                  | 2.0% to 5.0%  | 150,250,000             | 56,310,000                          | -           | (6,020,000)             | 50,290,000                           |
| Unlimited Tax School Building        |               |                         |                                     |             |                         |                                      |
| Bonds - 2018                         |               |                         |                                     |             |                         |                                      |
| Matures 2019 - 2038                  | 5.0%          | 78,565,000              | 56,715,000                          | -           | (2,870,000)             | 53,845,000                           |
| Unlimited Tax Refunding              |               |                         |                                     |             |                         |                                      |
| Bonds - 2019                         |               |                         |                                     |             |                         |                                      |
| Matures 2020 - 2029                  | 3.0% to 5.0%  | 14,525,000              | 1,330,000                           | -           | (85,000)                | 1,245,000                            |
| Unlimited Tax Refunding              |               |                         |                                     |             |                         |                                      |
| Bonds - 2020                         |               |                         |                                     |             |                         |                                      |
| Matures 2021 - 2028                  | 5.0%          | 47,830,000              | 12,855,000                          | -           | (3,630,000)             | 9,225,000                            |
| Unlimited Tax School Building        |               |                         |                                     |             |                         |                                      |
| Bonds - 2023                         |               |                         |                                     |             |                         |                                      |
| Matures 2024 - 2045                  | 4.0% to 5.0%  | 145,315,000             | 70,235,000                          | -           | (1,960,000)             | 68,275,000                           |
| Unlimited Tax School Building        |               |                         |                                     |             |                         |                                      |
| Bonds - 2023A                        |               |                         |                                     |             |                         |                                      |
| Matures 2025 - 2048                  | 5.0%          | 746,120,000             | 746,120,000                         | -           | (24,115,000)            | 722,005,000                          |
| <b>Total</b>                         |               | <b>\$ 1,421,390,000</b> | <b>\$ 1,111,765,000</b>             | <b>\$ -</b> | <b>\$ (104,420,000)</b> | <b>\$ 1,007,345,000</b>              |

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 2.00% to 5.00% and are due through 2048. At June 30, 2025, \$62,677,263 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)**

The annual requirements to pay principal and interest on the bond obligations outstanding as of June 30, 2025 are as follows:

| <b>Year Ending<br/>June 30,</b> | <b>Principal</b>        | <b>Interest</b>       | <b>Requirements</b>     |
|---------------------------------|-------------------------|-----------------------|-------------------------|
| 2026                            | \$ 59,255,000           | \$ 49,003,354         | \$ 108,258,354          |
| 2027                            | 36,530,000              | 46,042,106            | 82,572,106              |
| 2028                            | 42,765,000              | 44,301,708            | 87,066,708              |
| 2029                            | 44,475,000              | 42,372,686            | 86,847,686              |
| 2030                            | 46,515,000              | 40,338,312            | 86,853,312              |
| 2030 - 2034                     | 202,460,000             | 169,415,476           | 371,875,476             |
| 2035 - 2039                     | 195,045,000             | 123,094,000           | 318,139,000             |
| 2040 - 2044                     | 229,485,000             | 72,531,050            | 302,016,050             |
| 2045 - 2049                     | 150,815,000             | 15,332,750            | 166,147,750             |
|                                 | <u>\$ 1,007,345,000</u> | <u>\$ 602,431,442</u> | <u>\$ 1,609,776,442</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 10 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.

During 2025 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.

| <b>Year Ending<br/>June 30,</b> | <b>Principal</b>    | <b>Interest</b>   | <b>Requirements</b> |
|---------------------------------|---------------------|-------------------|---------------------|
| 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                            | 440,809             | 27,119            | 467,928             |
| 2031 - 2036                     | 4,342,305           | 68,584            | 4,410,889           |
|                                 | <u>\$ 6,503,134</u> | <u>\$ 247,392</u> | <u>\$ 6,750,526</u> |

**Note 7. Compensated Absences**

The District recognizes liabilities for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured (i.e., are due for payment). The liability for compensated absences includes salary-related benefits, where applicable.

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 \$6,062,555. Of this amount, \$530,740 is recorded in the General Fund in accrued wages for the amount due to retired employees as of June 30, 2025.

**Note 8. Interfund Receivables, Payables, and Transfers**

Interfund balances at June 30, 2025 arose in the normal course of operations and consisted of the following individual fund receivable and payable balances:

| <b>Funds</b>               | <b>Interfund<br/>Receivable</b> | <b>Interfund<br/>Payable</b> | <b>Net</b>   |
|----------------------------|---------------------------------|------------------------------|--------------|
| <b>Governmental Funds:</b> |                                 |                              |              |
| General Fund               | \$ 7,783,830                    | \$ -                         | \$ 7,783,830 |
| Special Revenue Fund       | -                               | 7,783,830                    | (7,783,830)  |
|                            | <u>\$ 7,783,830</u>             | <u>\$ 7,783,830</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, 2025 were as follows:

| <b>Transfer Out</b> | <b>Transfer In</b>    | <b>Amount</b> |
|---------------------|-----------------------|---------------|
| General Fund        | Capital Projects Fund | \$ 3,449,310  |

In the fund financial statements, \$3,449,310 was transferred out of the General Fund to Capital Projects Fund for Fine Arts replacement of old band instruments for rotation year #2, to repair Sachse High School HVAC chiller tower due to May 2024 storm damage, and for work to be done over the summer to the Natatorium.

**Note 9. Local Revenues - Governmental Funds**

Local revenues are comprised of the following:

|                           | <b>General<br/>Fund</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Total</b>          |
|---------------------------|-------------------------|----------------------------------|--------------------------------------|-------------------------------------|-----------------------|
| Taxes, penalty & interest | \$ 201,544,305          | \$ 116,080,607                   | \$ -                                 | \$ -                                | \$ 317,624,912        |
| Investment earning        | 9,228,926               | 3,037,208                        | 45,598,737                           | 1,189,780                           | 59,054,651            |
| Enterprising services     | -                       | -                                | -                                    | 4,046,999                           | 4,046,999             |
| Other intermediate        | 501,000                 | -                                | -                                    | 3,532                               | 504,532               |
| Tuition and fees          | 79,685                  | -                                | -                                    | 48,750                              | 128,435               |
| Rental                    | 414,940                 | -                                | -                                    | -                                   | 414,940               |
| Insurance recovery        | 183,378                 | -                                | -                                    | -                                   | 183,378               |
| Other                     | 1,577,593               | -                                | -                                    | 528,020                             | 2,105,613             |
| Food service              | -                       | -                                | -                                    | 3,431,780                           | 3,431,780             |
| Athletics                 | 637,799                 | -                                | -                                    | -                                   | 637,799               |
| <b>Totals</b>             | <b>\$ 214,167,626</b>   | <b>\$ 119,117,815</b>            | <b>\$ 45,598,737</b>                 | <b>\$ 9,248,861</b>                 | <b>\$ 388,133,039</b> |

**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, 2025, 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, 2025, 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, 2025, was \$3,211,335 and is recorded as an accrued expenditure in the Risk Management Internal Service Fund.

In fiscal years 2025 and 2024, changes in workers' compensation claims liability amounts were:

| <b>Internal Service Fund</b> | <b>Beginning of<br/>Year Accrual</b> | <b>Current Year<br/>Estimates</b> | <b>Claims<br/>Payments</b> | <b>End of Year<br/>Accrual</b> |
|------------------------------|--------------------------------------|-----------------------------------|----------------------------|--------------------------------|
| 2024 - Risk Management       | \$ 3,781,894                         | \$ 1,783,217                      | \$ (1,868,132)             | \$ 3,696,979                   |
| 2025 - Risk Management       | 3,696,979                            | 1,676,680                         | (2,162,324)                | 3,211,335                      |

At June 30, 2025, the District held \$7,330,235 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/learning-resources/publications>, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

**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. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

**One-Time Stipends**

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time \$2,400 stipend to eligible annuitants age 70 to 74.

**Cost-of-Living Adjustment**

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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 through 2025.

**Note 11. Retirement Plan (continued)**

**Contributions (continued)**

|   | <b>Contribution Rates</b>                     |  | <b>Contribution<br/>Amounts</b> |
|---|---|--|---------------------------------|
|   | <b>September 1, 2024<br/>to June 30, 2025</b> | <b>July 1, 2024 to<br/>August 31, 2024</b> |                                 |
| Active Employee                         | 8.25%   | 8.25%                                      | \$ 36,701,447                   |
| Non-Employer Contributing Entity (State | 8.25%   | 8.25%                                      | 23,980,005                      |
| District                                | 8.25%   | 8.25%                                      | 19,699,270                      |

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

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 schools, junior colleges, other entities or the State of Texas as the employer for senior colleges, 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 education service centers must contribute 1.9% of the member's salary beginning in fiscal year 2024, 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.

**Note 11. Retirement Plan (continued)**

**Actuarial Assumptions**

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

| <b>Component</b>  | <b>Result</b>  |
|---|--|
| Valuation Date  | August 31, 2023, rolled forward to August 31, 2024   |
| 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 2024                       | 3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders. |
| Last year ending August 31 in Projection Period (100 years) | 2123   |
| 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, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

**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 9.54% of payroll 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.

**Note 11. Retirement Plan (continued)**

**Discount Rate (continued)**

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, 2024 are summarized below:

| <b>Asset Class</b>                         | <b>Target Allocation<sup>2</sup></b> | <b>Long-Term Expected Geometric Real Rate of Return<sup>3</sup></b> | <b>Expected Contribution to Long-Term Portfolio Returns</b> |
|--|--------------------------------------|---|---|
| <b>Global Equity</b>                       |                                      |   |   |
| USA  | 18.00%                               | 4.40%   | 1.00%   |
| Non-U.S. Developed                         | 13.00%                               | 4.20%   | 0.80%   |
| Emerging Markets                           | 9.00%                                | 5.20%   | 0.70%   |
| Private Equity <sup>1</sup>                | 14.00%                               | 6.70%   | 1.20%   |
| <b>Stable Value</b>                        |                                      |   |   |
| Government Bonds                           | 16.00%                               | 1.90%   | 0.40%   |
| Absolute Return <sup>1</sup>               | 0.00%                                | 4.00%   | 0.00%   |
| Stable Value Hedge Funds                   | 5.00%                                | 3.00%   | 0.20%   |
| <b>Real Return</b>                         |                                      |   |   |
| Real Estate                                | 15.00%                               | 6.60%   | 1.20%   |
| Energy, Natural Resources & Infrastructure | 6.00%                                | 5.60%   | 0.40%   |
| Commodities                                | 0.00%                                | 2.50%   | 0.00%   |
| <b>Risk Parity</b>                         | 8.00%                                | 4.00%   | 0.40%   |
| <b>Asset Allocation Leverage</b>           |                                      |   |   |
| Cash                                       | 2.00%                                | 1.00%   | 0.00%   |
| Asset Allocation Leverage                  | -6.00%                               | 1.30%   | -0.10%  |
| Inflation Expectation                      |                                      |   | 2.40%   |
| Volatility Drag <sup>4</sup>               |                                      |   | -0.70%  |
| <b>Expected Return</b>                     | <b>100.00%</b>                       |   | <b>7.90%</b>  |

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

<sup>2</sup> Target allocations are based on the fiscal year 2024 policy model.

<sup>3</sup> Capital Market Assumptions (CMA) come from 2024 AAA Study CMA Survey (as of 12/31/2023)

<sup>4</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

**Note 11. Retirement Plan (continued)**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (7.00%) in measuring the Net pension liability:

|   | <b>Discount Rate</b>           |                                 |                                |
|---|--------------------------------|---------------------------------|--------------------------------|
|   | <b>1% Decrease<br/>(6.00%)</b> | <b>Current Rate<br/>(7.00%)</b> | <b>1% Increase<br/>(8.00%)</b> |
| District's proportional share of<br>the net pension liability | \$ 333,115,493                 | \$ 208,555,196                  | \$ 105,348,135                 |

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

At June 30, 2025, the District reported a liability of \$208,555,196 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 | \$ 208,555,196               |
| State's proportionate share that is associated with the District       | <u>248,473,582</u>           |
| <b>Total</b>   | <u><b>\$ 457,028,778</b></u> |

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024, 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, 2023 through August 31, 2024.

On August 31, 2024, the employer's proportion of the collective net pension liability was 0.3414% which was an increase of 0.0117% from its proportion measured as of August 31, 2023.

**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 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For the year ended June 30, 2025, the District recognized pension expense of \$30,445,172 and revenue of \$29,696,746 for support provided by the State.

**Note 11. Retirement Plan (continued)**

**Changes since the Prior Actuarial Valuation**

On June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--|---|--|
| Differences between expected and actual economic experience  | \$ 11,495,278                             | \$ (1,628,297)                           |
| Changes of assumption  | 10,768,151                                | (1,443,641)                              |
| Net difference between projected and actual earnings<br>on pension plan investments                              | 1,267,735                                 | -  |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions | 10,847,312                                | (3,162,015)                              |
| District contributions subsequent to the measurement<br>date of the net pension liability                        | 16,434,171                                | -  |
| <b>Total</b>   | <b>\$ 50,812,647</b>                      | <b>\$ (6,233,953)</b>                    |

The District recognized \$16,434,171 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025. The other amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Fiscal Year</b> | <b>Pension Expense</b> | <b>Balance of Deferred<br/>Outflows (Inflows)</b> |
|--------------------|------------------------|---|
| 2026               | \$ 1,434,501           | \$ 26,710,022                                     |
| 2027               | 24,449,596             | 2,260,426   |
| 2028               | 4,570,388              | (2,309,962)                                       |
| 2029               | (3,713,007)            | 1,403,045   |
| 2030               | 1,403,045              | -   |
|                    | <b>\$ 28,144,523</b>   |   |

**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.

**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/learning-resources/publications>, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

**Note 12. Retiree Health Plan (continued)**

**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:

| <b>TRS-Care Monthly Premium Rates</b>    |                 |       |                     |
|--|-----------------|-------|---------------------|
|  | <b>Medicare</b> |       | <b>Non-Medicare</b> |
| 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 are 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.

|   | <b>Contribution Rates</b>                 |  | <b>Contribution Amounts</b> |
|---|---|--|-----------------------------|
|   | <b>September 1, 2024 to June 30, 2025</b> | <b>July 1, 2024 to August 31, 2024</b> |                             |
| Active Employee                                   | 0.65%                                     | 0.65%                                  | \$ 2,891,622                |
| Non-Employer Contributing Entity (State District: | 1.25%                                     | 1.25%                                  | 8,172,351                   |
| District, Excluding Federal/Private Funding       | 0.75%                                     | 0.75%                                  | 3,431,545                   |
| Federal/Private Funding                           | 1.25%                                     | 1.25%                                  | 499,115                     |
| <b>Total District</b>                             |   |  | <b>3,930,660</b>            |
| <b>Total</b>                                      |   |  | <b>\$ 14,994,633</b>        |



**Note 12. Retiree Health Plan (continued)**

**Contributions (continued)**

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.

**Actuarial Assumptions**

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total OPEB liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions:

| <b>Component</b>                       | <b>Result</b>  |
|--|--|
| Valuation Date                         | August 31, 2023, rolled forward to August 31, 2024   |
| Actuarial Cost Method                  | Individual Entry Age Normal  |
| Inflation                              | 2.30%  |
| Single Discount Rate                   | 3.87% as of August 31, 2024  |
| Aging Factors                          | Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".   |
| 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 rate was 6.75 percent for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. The initial prescription drug trend rate was 7.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 11 years. |
| Election Rates                         | Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65.<br>Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.   |
| Ad hoc post-employment benefit changes | None   |

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, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

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.

**Note 12. Retiree Health Plan (continued)**

**Discount Rate**

A single discount rate of 3.87% was used to measure the total OPEB liability. There was a decrease of 0.26% 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 Bond Buyer's "20-Bond GO Index" as of August 31, 2024 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 (3.87%) in measuring the net OPEB Liability.

|   | Discount Rate  |                |                |
|---|----------------|----------------|----------------|
|   | 1% Decrease    | Current Rate   | 1% Increase    |
|   | 2.87%          | 3.87%          | 4.87%          |
| District's proportional share of the net OPEB liability | \$ 154,387,618 | \$ 129,950,796 | \$ 110,205,476 |

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

At June 30, 2025, the District reported a liability of \$129,950,796 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 | \$ 129,950,796               |
| State's proportionate share that is associated with the District    | <u>162,826,584</u>           |
| <b>Total</b>  | <u><u>\$ 292,777,380</u></u> |

The Net OPEB Liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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, 2023 through August 31, 2024.

At August 31, 2024 the employer's proportion of the collective Net OPEB Liability was 0.4282% compared to 0.4101% as of August 31, 2023.

**Note 12. Retiree Health Plan (continued)**

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

**Healthcare Trend Rate Sensitivity Analysis**

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 | \$ 105,825,630             | \$ 129,950,796 | \$ 161,388,292 |

**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 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

**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, 2025, the District recognized negative OPEB expense of \$14,834,125. The District also recognized negative on-behalf expense and revenue of \$21,164,451 for support provided by the State.

At June 30, 2025, 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<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience   | \$ 24,907,205                     | \$ (64,852,492)                  |
| Changes of assumption   | 16,632,167                        | (42,401,441)                     |
| Net difference between projected and actual earnings on OPEB plan investments                                 | -                                 | (363,904)                        |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 14,539,050                        | (10,289,212)                     |
| District contributions subsequent to the measurement date of the net OPEB liability                           | 3,267,601                         | -                                |
| <b>Total</b>  | <b>\$ 59,346,023</b>              | <b>\$ (117,907,049)</b>          |

**Note 12. Retiree Health Plan (continued)**

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

The District recognized \$3,267,601 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the measurement year ended August 31, 2025. The other 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<br/>Amount</u> | <u>Balance of Deferred<br/>Outflows (Inflows)</u> |
|--------------------|--------------------------------|---|
| 2026               | \$ (18,216,591)                | \$ (43,612,036)                                   |
| 2027               | (12,330,996)                   | (31,281,040)                                      |
| 2028               | (15,309,186)                   | (15,971,854)                                      |
| 2029               | (12,668,249)                   | (3,303,605)                                       |
| 2030               | (6,273,276)                    | 2,969,671   |
| Thereafter         | 2,969,671                      | -   |
|                    | <u>\$ (61,828,627)</u>         |   |

**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, 2025, 2024, and 2023, the subsidy payments received by TRS-Care on-behalf of the District were \$3,110,902, \$2,451,959 and \$2,200,963, 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, 2025 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, 2025 are as follows:

| Description               | Term       |          | Interest Rate | Lease Liability      |                     | Right to Use Asset   |                          |                     |
|---------------------------|------------|----------|---------------|----------------------|---------------------|----------------------|--------------------------|---------------------|
|                           | Start Date | End Date |               | Original Amount      | Outstanding Balance | Original Amount      | Accumulated Amortization | Net Amount          |
| Copiers                   | 09/01/22   | 08/31/27 | 3.00%         | \$ 5,001,199         | \$ 2,850,930        | \$ 5,001,199         | \$ (2,129,585)           | \$ 2,871,614        |
| White Vehicle Fleet       | 09/01/24   | 08/31/28 | Multiple      | 3,615,882            | 3,089,428           | 3,615,882            | (428,956)                | 3,186,926           |
| Warehouse Building        | 07/01/24   | 06/30/29 | 3.00%         | 862,927              | 698,779             | 862,927              | (172,585)                | 690,342             |
| Student Services Building | 04/01/15   | 03/31/30 | 3.00%         | 826,465              | 789,379             | 826,465              | (41,233)                 | 785,232             |
|                           |            |          |               | <u>\$ 10,306,473</u> | <u>\$ 7,428,516</u> | <u>\$ 10,306,473</u> | <u>\$ (2,772,359)</u>    | <u>\$ 7,534,114</u> |

The future principal and interest lease payments as of June 30, 2025, were as follows:

| Year Ending<br>June 30, | Principal           | Interest          | Totals              |
|-------------------------|---------------------|-------------------|---------------------|
| 2026                    | \$ 2,032,169        | \$ 113,821        | \$ 2,145,990        |
| 2027                    | 2,031,224           | 78,263            | 2,109,487           |
| 2028                    | 1,941,486           | 43,606            | 1,985,092           |
| 2029                    | 1,194,325           | 13,505            | 1,207,830           |
| 2030                    | 229,312             | 1,788             | 231,100             |
|                         | <u>\$ 7,428,516</u> | <u>\$ 250,983</u> | <u>\$ 7,679,499</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, 2025 are as follows:

| Vendor               | Term       |          | Interest Rate | SBITA Liability     |                     | SBITA Asset          |                          |                   |
|----------------------|------------|----------|---------------|---------------------|---------------------|----------------------|--------------------------|-------------------|
|                      | Start Date | End Date |               | Original Amount     | Outstanding Balance | Value of SBITA Asset | Accumulated Amortization | Net Amount        |
| CDW Google Workspace | 12/23/22   | 12/22/27 | 3.00%         | \$ 853,610          | \$ 427,483          | \$ 853,610           | \$ 441,032               | \$ 412,578        |
| Cities Digital       | 08/24/22   | 08/31/27 | 3.00%         | 351,688             | 155,015             | 351,688              | 202,173                  | 149,515           |
|                      |            |          |               | <u>\$ 1,205,298</u> | <u>\$ 582,498</u>   | <u>\$ 1,205,298</u>  | <u>\$ 643,205</u>        | <u>\$ 562,093</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, 2025, were as follows:

| Year Ending June 30 | Principal         | Interest         | Total             |
|---------------------|-------------------|------------------|-------------------|
| 2026                | \$ 248,147        | \$ 14,196        | \$ 262,343        |
| 2027                | 255,695           | 6,648            | 262,343           |
| 2028                | 78,656            | 586              | 79,242            |
| <b>Total</b>        | <u>\$ 582,498</u> | <u>\$ 21,430</u> | <u>\$ 603,928</u> |

**Note 16. Restatements of beginning balances**

During the current year, the District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of compensation time hourly pay earned, as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. Additionally, for qualified employees (employees with ten or more years of service in the district who retire voluntarily, and are of good standing) the District now recognizes an estimated amount of compensation for State Personal, State Personal Hourly, Local Leave and Local Leave Hourly pay earned as of the year-end that will be paid out in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement - GASB 101 implementation” column in the table below.

During the current year, management conducted a reevaluation of revenues associated with state aid funding and the Foundation School Program (FSP) allotment. This review identified that revenues were understated by \$15,125,602 due to an error in the initial recognition of state funding allocations. As a result, the District has restated the beginning fund balance of the General Fund and the beginning net position of Governmental Activities in the current year financial statements to reflect the corrected revenue amounts. This restatement ensures that the financial statements accurately present the District’s financial position in accordance with generally accepted accounting principles.

|                           | Net Position/Fund<br>Balance 6/30/2024 as<br>Previously<br>Reported | Restatement - GASB 101<br>Implementation | Restatement - Error<br>Correction | Net Position/Fund<br>Balance 6/30/2024 as<br>Restated |
|---------------------------|---|--|-----------------------------------|---|
| <b>Government-Wide</b>    |   |  |                                   |   |
| Governmental activities   | \$ 461,491,241  | \$ (5,506,364)                           | \$ 15,125,602                     | \$ 471,110,479  |
| <b>Governmental Funds</b> |   |  |                                   |   |
| General Fund              | 208,883,997   | -  | 15,125,602                        | 224,009,599   |

## **REQUIRED SUPPLEMENTARY INFORMATION**

**GARLAND INDEPENDENT SCHOOL DISTRICT**
**Exhibit G-1**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - GENERAL FUND**
**For the Year Ended June 30, 2025**

|                                       |  | <b>Budgeted Amounts</b> |                       |                       |                                       |
|---------------------------------------|--|-------------------------|-----------------------|-----------------------|---------------------------------------|
|                                       |  | <b>Original</b>         | <b>Final</b>          | <b>Actual</b>         | <b>Variance with<br/>Final Budget</b> |
| <b>Revenues</b>                       |  |                         |                       |                       |                                       |
| 5700                                  | Local revenues   | \$ 203,109,814          | \$ 214,361,433        | \$ 214,167,626        | \$ (193,807)                          |
| 5800                                  | State program revenues                                       | 300,269,000             | 298,327,987           | 308,138,127           | 9,810,140                             |
| 5900                                  | Federal program revenues                                     | 8,000,000               | 8,000,000             | 9,738,801             | 1,738,801                             |
| <b>5020</b>                           | <b>Total Revenues</b>  | <b>511,378,814</b>      | <b>520,689,420</b>    | <b>532,044,554</b>    | <b>11,355,134</b>                     |
| <b>Expenditures</b>                   |  |                         |                       |                       |                                       |
| Current:                              |  |                         |                       |                       |                                       |
| 0011                                  | Instruction  | 330,753,160             | 326,879,213           | 320,507,333           | 6,371,880                             |
| 0012                                  | Instructional resources and media services                   | 8,927,007               | 8,909,413             | 8,426,628             | 482,785                               |
| 0013                                  | Curriculum and staff development                             | 15,880,744              | 15,626,293            | 14,802,732            | 823,561                               |
| 0021                                  | Instructional leadership                                     | 8,796,003               | 10,208,679            | 9,450,016             | 758,663                               |
| 0023                                  | School leadership  | 43,019,345              | 42,338,530            | 36,179,914            | 6,158,616                             |
| 0031                                  | Guidance, counseling and evaluation                          | 30,449,846              | 28,819,613            | 28,527,681            | 291,932                               |
| 0032                                  | Social work services   | 529,846                 | 569,346               | 475,750               | 93,596                                |
| 0033                                  | Health services  | 9,382,205               | 9,409,078             | 8,990,902             | 418,176                               |
| 0034                                  | Student transportation                                       | 20,503,466              | 23,948,352            | 23,325,785            | 622,567                               |
| 0035                                  | Food services  | 300,000                 | 218,644               | 48,730                | 169,914                               |
| 0036                                  | Extracurricular activities                                   | 13,825,742              | 15,199,222            | 13,560,867            | 1,638,355                             |
| 0041                                  | General administration                                       | 21,154,065              | 22,197,225            | 19,812,049            | 2,385,176                             |
| 0051                                  | Facilities maintenance and operations                        | 62,838,021              | 61,287,826            | 59,387,147            | 1,900,679                             |
| 0052                                  | Security and monitoring services                             | 13,615,980              | 13,377,255            | 11,720,233            | 1,657,022                             |
| 0053                                  | Data processing services                                     | 16,516,283              | 17,363,921            | 15,621,321            | 1,742,600                             |
| 0061                                  | Community services   | 1,930,834               | 1,859,186             | 1,576,359             | 282,827                               |
| Debt Service:                         |  |                         |                       |                       |                                       |
| 0071                                  | Principal on long-term debt                                  | 751,097                 | 3,932,114             | 2,532,570             | 1,399,544                             |
| Capital outlay:                       |  |                         |                       |                       |                                       |
| 0081                                  | Facilities acquisition and construction                      | -                       | 500,000               | -                     | 500,000                               |
| Intergovernmental:                    |  |                         |                       |                       |                                       |
| 0095                                  | Payments to Juvenile Justice Alt. Ed. Prgm.                  | 36,000                  | 43,000                | 26,220                | 16,780                                |
| 0099                                  | Payments to Appraisal District                               | 1,080,067               | 1,080,067             | 1,080,067             | -                                     |
| <b>6030</b>                           | <b>Total Expenditures</b>                                    | <b>600,289,711</b>      | <b>603,766,977</b>    | <b>576,052,304</b>    | <b>27,714,673</b>                     |
| 1100                                  | Excess (deficiency) of revenues over<br>(under) expenditures | <b>(88,910,897)</b>     | <b>(83,077,557)</b>   | <b>(44,007,750)</b>   | <b>39,069,807</b>                     |
| <b>Other Financing Sources (Uses)</b> |  |                         |                       |                       |                                       |
| 7912                                  | Sale of real or personal property                            | -                       | -                     | 279,984               | 279,984                               |
| 7913                                  | Issuance of leases   | -                       | -                     | 4,478,809             | 4,478,809                             |
| 8911                                  | Transfers out  | -                       | (3,449,310)           | (3,449,310)           | -                                     |
| <b>7080</b>                           | <b>Total Other Financing Sources (Uses)</b>                  | <b>-</b>                | <b>(3,449,310)</b>    | <b>1,309,483</b>      | <b>4,758,793</b>                      |
| 1200                                  | Net change in fund balance                                   | (88,910,897)            | (86,526,867)          | (42,698,267)          | 43,828,600                            |
| <b>0100</b>                           | <b>Fund Balances - Beginning, as Previously Reported</b>     | <b>208,883,997</b>      | <b>208,883,997</b>    | <b>208,883,997</b>    | <b>-</b>                              |
| 1300                                  | Restatement (see Note 16)                                    | -                       | -                     | 15,125,602            | (15,125,602)                          |
| <b>3000</b>                           | <b>Fund Balance - Ending</b>                                 | <b>\$ 119,973,100</b>   | <b>\$ 122,357,130</b> | <b>\$ 181,311,332</b> | <b>\$ 28,702,998</b>                  |



**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

**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**
**Exhibit G-2**
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
Last Ten Measurement Years**

|  | <b>2024</b>           | <b>2023</b>           | <b>2022</b>           | <b>2021</b>           | <b>2020</b>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net pension liability   | 0.3414%               | 0.3297%               | 0.3194%               | 0.3140%               | 0.3043%               |
| District's proportionate share of the net pension liability  | \$ 208,555,196        | \$ 226,453,420        | \$ 189,642,334        | \$ 80,131,846         | \$ 162,986,411        |
| State's proportionate share of the net pension liability associated with the District              | 248,473,582           | 283,531,064           | 248,416,464           | 122,192,639           | 262,092,489           |
| <b>Total</b>   | <b>\$ 457,028,778</b> | <b>\$ 509,984,484</b> | <b>\$ 438,058,798</b> | <b>\$ 202,324,485</b> | <b>\$ 425,078,900</b> |
| District's covered payroll (for Measurement Year)  | \$ 440,342,626        | \$ 412,735,903        | \$ 384,845,741        | \$ 387,363,687        | \$ 377,293,999        |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 47.36%                | 54.87%                | 49.28%                | 20.69%                | 43.20%                |
| Plan fiduciary net position as a percentage of the total pension liability                         | 77.51%                | 73.15%                | 75.65%                | 88.79%                | 75.54%                |
|  | <b>2019</b>           | <b>2018</b>           | <b>2017</b>           | <b>2016</b>           | <b>2015</b>           |
| District's proportion of the net pension liability   | 0.3395%               | 0.3392%               | 0.3214%               | 0.3313%               | 0.3352%               |
| District's proportionate share of the net pension liability  | \$ 176,503,815        | \$ 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              | 252,140,175           | 276,023,160           | 171,872,468           | 204,940,921           | 203,123,426           |
| <b>Total</b>   | <b>\$ 428,643,990</b> | <b>\$ 462,745,603</b> | <b>\$ 274,635,455</b> | <b>\$ 330,119,995</b> | <b>\$ 321,624,996</b> |
| District's covered payroll (for Measurement Year)  | \$ 368,012,193        | \$ 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 | 47.96%                | 52.14%                | 29.43%                | 36.29%                | 35.31%                |
| Plan fiduciary net position as a percentage of the total pension liability                         | 75.24%                | 73.74%                | 82.17%                | 78.00%                | 78.43%                |

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**

|   | <b>2025</b>       | <b>2024</b>       | <b>2023</b>       | <b>2022</b>       | <b>2021</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contributions                                  | \$ 19,699,270     | \$ 18,956,711     | \$ 16,602,650     | \$ 14,715,978     | \$ 13,329,913     |
| Contributions in relation to the contractually required contributions | <u>19,699,270</u> | <u>18,956,711</u> | <u>16,602,650</u> | <u>14,715,978</u> | <u>13,329,913</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       |
| District's covered payroll  | \$ 444,845,130    | \$ 437,201,564    | \$ 407,673,204    | \$ 385,010,955    | \$ 385,003,791    |
| Contributions as a percentage of covered payroll                      | 4.43%             | 4.34%             | 4.07%             | 3.82%             | 3.46%             |
|   | <b>2020</b>       | <b>2019*</b>      | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       |
| Contractually required contributions                                  | \$ 12,355,875     | \$ 9,843,028      | \$ 11,569,823     | \$ 10,831,873     | \$ 10,403,722     |
| Contributions in relation to the contractually required contributions | <u>12,355,875</u> | <u>9,843,028</u>  | <u>11,569,823</u> | <u>10,831,873</u> | <u>10,403,722</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       |
| District's covered payroll  | \$ 376,867,068    | \$ 303,878,167    | \$ 358,144,722    | \$ 349,184,036    | \$ 344,899,599    |
| Contributions as a percentage of covered payroll                      | 3.28%             | 3.24%             | 3.23%             | 3.10%             | 3.02%             |

\* For the ten months ended June 30, 2019.

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION**

**Changes of Assumptions**

| <b>Measurement</b> |  |
|--------------------|--|
| <b>Year</b>        | <b>Changes</b>   |
| 2017               | None   |
| 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. |
| 2019               | None   |
| 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.  |
| 2021               | The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.   |
| 2022               | The discount rate changed from 7.25% to 7.00%.   |
| 2023               | None   |
| 2024               | None   |

**GARLAND INDEPENDENT SCHOOL DISTRICT**
**Exhibit G-4**
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
For the Last Seven Measurement Years\***

|   | <b>2024</b>           | <b>2023</b>           | <b>2022</b>           | <b>2021</b>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net OPEB liability   | 0.4282%               | 0.4101%               | 0.4009%               | 0.4105%               |
| District's proportionate share of the net OPEB liability  | \$ 129,950,796        | \$ 90,791,973         | \$ 95,995,296         | \$ 158,355,733        |
| State's proportionate share of the net OPEB liability associated with the District              | 162,826,584           | 109,554,470           | 117,099,180           | 212,161,395           |
| <b>Total</b>  | <b>\$ 292,777,380</b> | <b>\$ 200,346,443</b> | <b>\$ 213,094,476</b> | <b>\$ 370,517,128</b> |
| District's covered payroll (for Measurement Year)   | \$ 440,342,626        | \$ 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 | 29.51%                | 22.00%                | 24.94%                | 40.88%                |
| Plan fiduciary net position as a percentage of the total OPEB liability**                       | 13.70%                | 14.94%                | 11.52%                | 6.18%                 |
|   |                       |                       |                       |                       |
|   | <b>2020</b>           | <b>2019</b>           | <b>2018</b>           |                       |
| 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              | 210,729,659           | 271,593,152           | 303,753,062           |                       |
| <b>Total</b>  | <b>\$ 367,550,530</b> | <b>\$ 475,986,585</b> | <b>\$ 519,953,484</b> |                       |
| 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 Seven Fiscal Years\***

**Exhibit G-5**

|                                      | <u>2025</u>    | <u>2024</u>    | <u>2023</u>    | <u>2022</u>    |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Contractually required contributions | \$ 3,930,660   | \$ 3,840,142   | \$ 3,530,292   | \$ 3,444,189   |
| Contributions in relation to the     |                |                |                |                |
| contractually required contributions | 3,930,660      | 3,840,142      | 3,530,292      | 3,444,189      |
| Contribution deficiency (excess)     | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| District's covered payroll           | \$ 444,845,130 | \$ 437,201,564 | \$ 407,673,204 | \$ 385,010,955 |
| Contributions as a percentage of     |                |                |                |                |
| covered payroll                      | 0.88%          | 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 | 3,194,942      | 3,119,673      | 2,546,976      |                |
| 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**

| <b>Measurement</b> | <b>Discount</b> | <b>Other Changes</b>  |
|--------------------|-----------------|---|
| <b>Year</b>        | <b>Rate</b>     |   |
| 2017               | 3.42%           | Updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.  |
| 2018               | 3.69%           | Lowered the participation rates and updated the health care trend rate assumption.  |
| 2019               | 2.63%           | 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. |
| 2020               | 2.33%           | 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. |
| 2021               | 1.95%           | N/A   |
| 2022               | 3.91%           | Lowered the participation rates, and updated the healthcare trend rate assumption.  |
| 2023               | 4.13%           | Revised demographic and economic assumptions based on the TRS experience study.   |
| 2024               | 3.87%           | The tables used to model the impact of aging on the underlying claims were revised.   |





**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 department to other departments on a cost reimbursement basis. The departments included within these funds are as follows:

**Motor Pool**

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

**Print Shop**

This fund is used to account for printing services.

**Risk Management**

This fund is used to account for the costs associated with the workers' compensation self-funded program.

**Copier Pool**

This fund is used to account for the cost of copier rental.

**Curtis Culwell Center**

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

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2025**

**Exhibit H-1**

**Page 1 of 2**

|  | 751               | 752                    | 753                    | 756                 |
|--|-------------------|------------------------|------------------------|---------------------|
|  | <u>Motor Pool</u> | <u>Print Shop fund</u> | <u>Risk Management</u> | <u>Copier Pool</u>  |
| <b>Assets</b>  |                   |                        |                        |                     |
| <b>Current Assets:</b>                               |                   |                        |                        |                     |
| Cash and cash equivalents                            | \$ 142,664        | \$ 1,372,279           | \$ 7,330,235           | \$ 513,173          |
| Other receivables                                    | -                 | 70,596                 | -                      | -                   |
| <b>Total Current Assets</b>                          | <u>142,664</u>    | <u>1,442,875</u>       | <u>7,330,235</u>       | <u>513,173</u>      |
| <b>Noncurrent Assets:</b>                            |                   |                        |                        |                     |
| <b>Capital Assets:</b>                               |                   |                        |                        |                     |
| Land improvements                                    | -                 | -                      | -                      | -                   |
| Buildings and building improvements                  | -                 | -                      | 7,720                  | -                   |
| Furniture and Equipment                              | 418,237           | 1,714,076              | 90,293                 | -                   |
| Right to use asset - equipment                       | -                 | -                      | -                      | 5,001,199           |
| Accumulated depreciation - other land improvements   | -                 | -                      | -                      | -                   |
| Accumulated depreciation - building and improvements | -                 | -                      | (7,720)                | -                   |
| Accumulated depreciation - furniture and equipment   | (418,237)         | (1,599,398)            | (90,293)               | -                   |
| Accumulated amortization - right to use equipment    | -                 | -                      | -                      | (2,129,585)         |
| <b>Total Noncurrent Assets</b>                       | <u>-</u>          | <u>114,678</u>         | <u>-</u>               | <u>2,871,614</u>    |
| <b>Total Assets</b>                                  | <u>\$ 142,664</u> | <u>\$ 1,557,553</u>    | <u>\$ 7,330,235</u>    | <u>\$ 3,384,787</u> |
| <b>Liabilities:</b>                                  |                   |                        |                        |                     |
| <b>Current Liabilities:</b>                          |                   |                        |                        |                     |
| Accounts payable                                     | \$ -              | \$ 5,434               | \$ 9,393               | \$ -                |
| Interest payable                                     | -                 | -                      | -                      | 7,127               |
| Accrued wages payable                                | -                 | -                      | -                      | -                   |
| Unearned revenue                                     | -                 | -                      | -                      | -                   |
| <b>Total Current Liabilities</b>                     | <u>-</u>          | <u>5,434</u>           | <u>9,393</u>           | <u>7,127</u>        |
| <b>Noncurrent Liabilities:</b>                       |                   |                        |                        |                     |
| Due within one year:                                 |                   |                        |                        |                     |
| Claims payable                                       | -                 | -                      | 2,156,276              | -                   |
| Lease payable  | -                 | -                      | -                      | 874,078             |
| Due in more than one year:                           |                   |                        |                        |                     |
| Claims liability long term                           | -                 | -                      | 1,055,059              | -                   |
| Lease payable  | -                 | -                      | -                      | 1,976,852           |
| <b>Total Noncurrent Liabilities</b>                  | <u>-</u>          | <u>-</u>               | <u>3,211,335</u>       | <u>2,850,930</u>    |
| <b>Total Liabilities</b>                             | <u>-</u>          | <u>5,434</u>           | <u>3,220,728</u>       | <u>2,858,057</u>    |
| <b>Net Position:</b>                                 |                   |                        |                        |                     |
| Net investment in capital assets                     | -                 | 114,678                | -                      | 20,684              |
| Unrestricted net position                            | 142,664           | 1,437,441              | 4,109,507              | 506,046             |
| <b>Total Net Position</b>                            | <u>142,664</u>    | <u>1,552,119</u>       | <u>4,109,507</u>       | <u>526,730</u>      |
| <b>Total Liabilities and Net Position</b>            | <u>\$ 142,664</u> | <u>\$ 1,557,553</u>    | <u>\$ 7,330,235</u>    | <u>\$ 3,384,787</u> |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2025**

**Exhibit H-1**  
**Page 2 of 2**

|  | 757                              |   |
|--|----------------------------------|---|
|  | <u>Curtis Culwell<br/>Center</u> | <u>Total Internal<br/>Service Funds</u> |
| <b>Assets</b>  |                                  |   |
| <b>Current Assets:</b>                               |                                  |   |
| Cash and cash equivalents                            | \$ 2,278,835                     | \$ 11,637,186                           |
| Other receivables                                    | 3,891                            | 74,487                                  |
| <b>Total Current Assets</b>                          | <u>2,282,726</u>                 | <u>11,711,673</u>                       |
| <b>Noncurrent Assets:</b>                            |                                  |   |
| <b>Capital Assets:</b>                               |                                  |   |
| Land improvements                                    | 263,568                          | 263,568                                 |
| Buildings and building improvements                  | 691,515                          | 699,235                                 |
| Furniture and Equipment                              | 2,172,776                        | 4,395,382                               |
| Right to use asset - equipment                       | -                                | 5,001,199                               |
| Accumulated depreciation - other land improvements   | (37,352)                         | (37,352)                                |
| Accumulated depreciation - building and improvements | (250,140)                        | (257,860)                               |
| Accumulated depreciation - furniture and equipment   | (1,507,522)                      | (3,615,450)                             |
| Accumulated amortization - right to use equipment    | -                                | (2,129,585)                             |
| <b>Total Noncurrent Assets</b>                       | <u>1,332,845</u>                 | <u>4,319,137</u>                        |
| <b>Total Assets</b>                                  | <u>\$ 3,615,571</u>              | <u>\$ 16,030,810</u>                    |
| <b>Liabilities:</b>                                  |                                  |   |
| <b>Current Liabilities:</b>                          |                                  |   |
| Accounts payable                                     | \$ 59,039                        | \$ 73,866                               |
| Interest payable                                     | -                                | 7,127                                   |
| Accrued wages payable                                | 12,220                           | 12,220                                  |
| Unearned revenue                                     | 548,604                          | 548,604                                 |
| <b>Total Current Liabilities</b>                     | <u>619,863</u>                   | <u>641,817</u>                          |
| <b>Noncurrent Liabilities:</b>                       |                                  |   |
| Due within one year:                                 |                                  |   |
| Claims payable                                       | -                                | 2,156,276                               |
| Lease payable  | -                                | 874,078                                 |
| Due in more than one year:                           |                                  |   |
| Claims liability long term                           | -                                | 1,055,059                               |
| Lease payable  | -                                | 1,976,852                               |
| <b>Total Noncurrent Liabilities</b>                  | <u>-</u>                         | <u>6,062,265</u>                        |
| <b>Total Liabilities</b>                             | <u>619,863</u>                   | <u>6,704,082</u>                        |
| <b>Net Position:</b>                                 |                                  |   |
| Net investment in capital assets                     | 1,332,845                        | 1,468,207                               |
| Unrestricted net position                            | 1,662,863                        | 7,858,521                               |
| <b>Total Net Position</b>                            | <u>2,995,708</u>                 | <u>9,326,728</u>                        |
| <b>Total Liabilities and Net Position</b>            | <u>\$ 3,615,571</u>              | <u>\$ 16,030,810</u>                    |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION – INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit H-2**

**Page 1 of 2**

| <b>Data<br/>Control</b>                        | <b>751</b>        | <b>752</b>             | <b>753<br/>Risk</b> | <b>756</b>         |
|--|-------------------|------------------------|---------------------|--------------------|
|  | <b>Motor Pool</b> | <b>Print Shop fund</b> | <b>Management</b>   | <b>Copier Pool</b> |
| <b>Operating Revenues</b>                      |                   |                        |                     |                    |
| 5700 Local and intermediate sources            | \$ 38,300         | \$ 682,766             | \$ 2,685,101        | \$ 1,080,088       |
| 5020 <b>Total Operating Revenues</b>           | <u>38,300</u>     | <u>682,766</u>         | <u>2,685,101</u>    | <u>1,080,088</u>   |
| <b>Operating Expenses</b>                      |                   |                        |                     |                    |
| 6100 Payroll costs                             | -                 | 242,476                | 481,941             | -                  |
| 6200 Professional and contracted services      | -                 | 193,591                | 92,791              | 26,247             |
| 6300 Supplies and materials                    | 18,833            | 212,624                | 15,726              | -                  |
| 6400 Other operating costs                     | -                 | 350                    | 1,676,680           | -                  |
| 6500 Depreciation/amortization                 | -                 | 40,991                 | -                   | 851,834            |
| <b>Total Operating Expenses</b>                | <u>18,833</u>     | <u>690,032</u>         | <u>2,267,138</u>    | <u>878,081</u>     |
| 1200 Operating Income (Loss)                   | <u>19,467</u>     | <u>(7,266)</u>         | <u>417,963</u>      | <u>202,007</u>     |
| <b>Non-Operating Revenues (Expenses)</b>       |                   |                        |                     |                    |
| 6522 Interest on Lease                         | -                 | -                      | -                   | (97,541)           |
| 7912 Gain (loss) on disposal of capital assets | -                 | 6,598                  | -                   | -                  |
| <b>Total Non-Operating Revenues (Expenses)</b> | <u>-</u>          | <u>6,598</u>           | <u>-</u>            | <u>(97,541)</u>    |
| 1200 Change in Net Position                    | 19,467            | (668)                  | 417,963             | 104,466            |
| 0100 <b>Net Position - Beginning</b>           | <u>123,197</u>    | <u>1,552,787</u>       | <u>3,691,544</u>    | <u>422,264</u>     |
| 3300 <b>Net Position - Ending</b>              | <u>\$ 142,664</u> | <u>\$ 1,552,119</u>    | <u>\$ 4,109,507</u> | <u>\$ 526,730</u>  |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION – INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2025**

*Exhibit H-2*  
*Page 2 of 2*

| <u>Data</u><br><u>Control</u>                  | <u>757</u><br><u>Curtis Culwell</u><br><u>Center</u> | <u>Total Internal</u><br><u>Service Funds</u> |
|--|--|---|
| <b>Operating Revenues</b>                      |  |   |
| 5700 Local and intermediate sources            | \$ 4,445,102   | \$ 8,931,357                                  |
| 5020 <b>Total Operating Revenues</b>           | <u>4,445,102</u>                                     | <u>8,931,357</u>                              |
| <b>Operating Expenses</b>                      |  |   |
| 6100 Payroll costs                             | 1,894,521  | 2,618,938                                     |
| 6200 Professional and contracted services      | 1,680,935  | 1,993,564                                     |
| 6300 Supplies and materials                    | 262,416  | 509,599                                       |
| 6400 Other operating costs                     | 100,743  | 1,777,773                                     |
| 6500 Depreciation/amortization                 | <u>308,532</u>                                       | <u>1,201,357</u>                              |
| <b>Total Operating Expenses</b>                | <u>4,247,147</u>                                     | <u>8,101,231</u>                              |
| 1200 Operating Income (Loss)                   | <u>197,955</u>                                       | <u>830,126</u>                                |
| <b>Non-Operating Revenues (Expenses)</b>       |  |   |
| 6522 Interest on Lease                         | -  | (97,541)                                      |
| 7916 Loss on disposal of property              | <u>(44,545)</u>                                      | <u>(37,947)</u>                               |
| <b>Total Non-Operating Revenues (Expenses)</b> | <u>(44,545)</u>                                      | <u>(135,488)</u>                              |
| 1200 Change in Net Position                    | 153,410  | 694,638                                       |
| 0100 <b>Net Position - Beginning</b>           | <u>2,842,298</u>                                     | <u>8,632,090</u>                              |
| 3300 <b>Net Position - Ending</b>              | <u>\$ 2,995,708</u>                                  | <u>\$ 9,326,728</u>                           |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit H-3**

**Page 1 of 2**

|   | 751               | 752                 | 753                 | 756                 |
|---|-------------------|---------------------|---------------------|---------------------|
|   | Motor Pool        | Print Shop fund     | Risk<br>Management  | Copier Pool         |
| <b>Cash Flows from Operating Activities:</b>                        |                   |                     |                     |                     |
| Cash received from user charges                                     | \$ 38,300         | \$ -                | \$ -                | \$ 1,080,088        |
| Cash received from assessments - other funds                        | -                 | 682,766             | 2,685,101           | -                   |
| Cash payments to employees for services                             | -                 | (242,476)           | (481,941)           | (26,247)            |
| Cash payments for insurance claims                                  | -                 | -                   | (2,162,324)         | -                   |
| Cash payments to suppliers  | (18,833)          | (269,823)           | (25,563)            | -                   |
| Cash payments for other operating expenses                          | -                 | (350)               | -                   | -                   |
| Cash payments for professional and contracted services              | -                 | (193,591)           | (92,791)            | (10,340)            |
| <b>Net Cash Provided by (Used for) Operating Activities</b>         | <b>19,467</b>     | <b>(23,474)</b>     | <b>(77,518)</b>     | <b>1,043,501</b>    |
| <b>Cash Flows from Capital Financing Activities:</b>                |                   |                     |                     |                     |
| Acquisition of capital assets                                       | -                 | (36,141)            | -                   | -                   |
| Lease payments  | -                 | -                   | -                   | (869,034)           |
| Lease interest expense  | -                 | -                   | -                   | (97,541)            |
| Proceeds from sale of capital assets                                | -                 | (6,598)             | -                   | -                   |
| <b>Net Cash Provided by (Used for) Capital Financing Activities</b> | <b>-</b>          | <b>(42,739)</b>     | <b>-</b>            | <b>(966,575)</b>    |
| Net Increase (Decrease) in Cash and Cash Equivalents                | 19,467            | (66,213)            | (77,518)            | 76,926              |
| <b>Cash and Cash Equivalents at Beginning of Year</b>               | <b>123,197</b>    | <b>1,438,492</b>    | <b>7,407,753</b>    | <b>436,247</b>      |
| <b>Cash and Cash Equivalents at End of Year</b>                     | <b>\$ 142,664</b> | <b>\$ 1,372,279</b> | <b>\$ 7,330,235</b> | <b>\$ 513,173</b>   |
| <b>Reconciliation of Operating Income (Loss) to Net Cash</b>        |                   |                     |                     |                     |
| <b>Provided by (Used for) Operating Activities:</b>                 |                   |                     |                     |                     |
| Operating Income (Loss)   | \$ 19,467         | \$ (7,266)          | \$ 417,963          | \$ 202,007          |
| Adjustments to Reconcile Operating Income (Loss) to Net             |                   |                     |                     |                     |
| Cash Provided by (Used for) Operating Activities:                   |                   |                     |                     |                     |
| Depreciation/amortization   | -                 | 40,991              | -                   | 851,834             |
| Change in Assets and Liabilities:                                   |                   |                     |                     |                     |
| Decrease (increase) in other receivables                            | -                 | (35,347)            | -                   | -                   |
| Increase (decrease) in accounts payable                             | -                 | (21,852)            | (9,837)             | (8,167)             |
| Increase (decrease) in interest payable                             | -                 | -                   | -                   | (2,173)             |
| Increase (decrease) in wages payable                                | -                 | -                   | -                   | -                   |
| Increase (decrease) in unearned revenue                             | -                 | -                   | -                   | -                   |
| Increase (decrease) in claims liabilities                           | -                 | -                   | (485,644)           | -                   |
| <b>Net Cash Provided by (Used for) Operating Activities</b>         | <b>\$ 19,467</b>  | <b>\$ (23,474)</b>  | <b>\$ (77,518)</b>  | <b>\$ 1,043,501</b> |



**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit H-3**  
**Page 2 of 2**

|   | <b>757<br/>Curtis Culwell<br/>Center</b> | <b>Total Internal<br/>Service Funds</b> |
|---|--|---|
| <b>Cash Flows from Operating Activities:</b>  |  |   |
| Cash received from user charges   | \$ 4,453,008                             | \$ 5,571,396                            |
| Cash received from assessments - other funds  | -  | 3,367,867                               |
| Cash payments to employees for services   | (1,888,846)                              | (2,639,510)                             |
| Cash payments for insurance claims  | -  | (2,162,324)                             |
| Cash payments to suppliers  | (494,966)                                | (809,185)                               |
| Cash payments for other operating expenses  | (100,743)                                | (101,093)                               |
| Cash payments for professional and contracted services  | (1,680,935)                              | (1,977,657)                             |
| <b>Net Cash Provided by (Used for) Operating Activities</b>   | <b>287,518</b>                           | <b>1,249,494</b>                        |
| <b>Cash Flows from Capital Financing Activities:</b>  |  |   |
| Acquisition of capital assets   | -  | (36,141)                                |
| Lease payments  | -  | (869,034)                               |
| Lease interest expense  | -  | (97,541)                                |
| Proceeds from sale of capital assets  | -  | (6,598)                                 |
| <b>Net Cash Provided by (Used for) Capital Financing Activities</b>   | <b>-</b>                                 | <b>(1,009,314)</b>                      |
| <br>Net Increase (Decrease) in Cash and Cash Equivalents  | <br>287,518                              | <br>240,180                             |
| <b>Cash and Cash Equivalents at Beginning of Year</b>   | <b>1,991,317</b>                         | <b>11,397,006</b>                       |
| <b>Cash and Cash Equivalents at End of Year</b>   | <b>\$ 2,278,835</b>                      | <b>\$ 11,637,186</b>                    |
| <br><b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by (Used for) Operating Activities:</b> |  |   |
| Operating Income (Loss)   | \$ 197,955                               | \$ 830,126                              |
| Adjustments to Reconcile Operating Income (Loss) to Net<br>Cash Provided by (Used for) Operating Activities:      |  |   |
| Depreciation/amortization   | 308,532                                  | 1,201,357                               |
| Change in Assets and Liabilities:   |  |   |
| Decrease (increase) in other receivables  | 3,531                                    | (31,816)                                |
| Increase (decrease) in accounts payable   | (236,081)                                | (275,937)                               |
| Increase (decrease) in interest payable   | -  | (2,173)                                 |
| Increase (decrease) in wages payable  | 5,675                                    | 5,675                                   |
| Increase (decrease) in unearned revenue   | 7,906                                    | 7,906                                   |
| Increase (decrease) in claims liabilities   | -  | (485,644)                               |
| <b>Net Cash Provided by (Used for) Operating Activities</b>   | <b>\$ 287,518</b>                        | <b>\$ 1,249,494</b>                     |



### **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, 2025**

**Exhibit H-4**

|  | <b>Student<br/>Activity<br/>Fund</b> | <b>Other Activity<br/>Funds</b> | <b>Total<br/>Custodial<br/>Funds</b> |
|--|--------------------------------------|---------------------------------|--------------------------------------|
| <b>Assets</b>                                  |                                      |                                 |                                      |
| Cash and cash equivalents                      | \$ 591,962                           | \$ 240,866                      | \$ 832,828                           |
| <b>Total Assets</b>                            | <u>591,962</u>                       | <u>240,866</u>                  | <u>832,828</u>                       |
| <b>Liabilities and Net Position</b>            |                                      |                                 |                                      |
| <b>Liabilities</b>                             |                                      |                                 |                                      |
| Accounts payable                               | 11,366                               | 16,295                          | 27,661                               |
| Accrued wages payable                          | -                                    | 8,918                           | 8,918                                |
| <b>Total Liabilities</b>                       | <u>11,366</u>                        | <u>25,213</u>                   | <u>36,579</u>                        |
| <b>Net Position</b>                            |                                      |                                 |                                      |
| Restricted for student and<br>other activities | <u>580,596</u>                       | <u>215,653</u>                  | <u>796,249</u>                       |
| <b>Total Net Position</b>                      | <u>580,596</u>                       | <u>215,653</u>                  | <u>796,249</u>                       |
| <b>Total Liabilities and Net Position</b>      | <u>\$ 591,962</u>                    | <u>\$ 240,866</u>               | <u>\$ 832,828</u>                    |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**For the Year Ended June 30, 2025**

*Exhibit H-5*

|                                 | <b>Student Activity<br/>Funds</b> | <b>Other Activity<br/>Funds</b> | <b>Total<br/>Custodial<br/>Funds</b> |
|---------------------------------|-----------------------------------|---------------------------------|--------------------------------------|
| <b>Additions</b>                |                                   |                                 |                                      |
| Activity fund revenues          | \$ 851,394                        | \$ 180,381                      | \$ 1,031,775                         |
| <b>Total Additions</b>          | <u>851,394</u>                    | <u>180,381</u>                  | <u>1,031,775</u>                     |
| <b>Deductions</b>               |                                   |                                 |                                      |
| Activity fund expenses          | -                                 | 11,518                          | 11,518                               |
| Administrative expenses         | 311,041                           | 65,957                          | 376,998                              |
| Supplies and materials          | 227,550                           | 18,498                          | 246,048                              |
| Other                           | 350,296                           | 125,383                         | 475,679                              |
| <b>Total Deductions</b>         | <u>888,887</u>                    | <u>221,356</u>                  | <u>1,110,243</u>                     |
| Change in net position          | (37,493)                          | (40,975)                        | (78,468)                             |
| <b>Net Position - Beginning</b> | <u>618,089</u>                    | <u>256,628</u>                  | <u>874,717</u>                       |
| <b>Net Position - Ending</b>    | <u>\$ 580,596</u>                 | <u>\$ 215,653</u>               | <u>\$ 796,249</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, 2025**

**Exhibit J-1**  
**Page 1 of 2**

|                          | 1           | 2            | 3  | 10                   | 20                    |
|--------------------------|-------------|--------------|--|----------------------|-----------------------|
|                          | Tax Rates   |              | Net Assessed/Appraised<br>Value For School | Beginning<br>Balance | Current<br>Year's     |
| Last Ten<br>Fiscal Years | Maintenance | Debt Service | Tax Purposes                               | 07/01/24             | Total Levy            |
| 2016 and prior           | Various     | Various      | Various                                    | \$ 965,008           | \$ -                  |
| 2017                     | \$ 1.0400   | \$ 0.4200    | \$ 15,362,186,673                          | 127,220              | -                     |
| 2018                     | 1.0400      | 0.4200       | 17,823,103,077                             | 143,851              | -                     |
| 2019                     | 1.0400      | 0.4200       | 19,701,949,552                             | 193,453              | -                     |
| 2020                     | 0.9700      | 0.4200       | 21,361,636,951                             | 250,208              | -                     |
| 2021                     | 0.9513      | 0.3050       | 23,585,754,912                             | 464,923              | -                     |
| 2022                     | 0.9384      | 0.3179       | 24,565,242,897                             | 676,911              | -                     |
| 2023                     | 0.8546      | 0.3179       | 28,883,975,715                             | 1,646,253            | -                     |
| 2024 <sup>1</sup>        | 0.6692      | 0.3840       | 26,872,808,204                             | 4,765,979            | -                     |
| 2025                     | 0.6669      | 0.3840       | 30,513,594,214                             | -                    | 320,667,362           |
| <b>1000 Totals</b>       |             |              |  | <u>\$ 9,233,806</u>  | <u>\$ 320,667,362</u> |

**8000 Taxes Refunded**

<sup>1</sup>In 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 due to this tax ceiling provision.



**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**For the Year Ended June 30, 2025**

**Exhibit J-1**  
**Page 2 of 2**

|                            | 31                                  | 32                                   | 40                              | 50                            | 99  |
|----------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------|---|
| Last Ten<br>Fiscal Years   | Maintenance<br>Total<br>Collections | Debt Service<br>Total<br>Collections | Entire<br>Year's<br>Adjustments | Ending<br>Balance<br>06/30/25 | Total Taxes<br>Refunded Under<br>Section 26.1115(c) |
| 2016 and prior             | \$ 58,323                           | \$ 12,056                            | \$ (30,442)                     | \$ 864,187                    |   |
| 2017                       | 6,309                               | 2,548                                | (1,022)                         | 117,341                       |   |
| 2018                       | 7,996                               | 3,229                                | (1,819)                         | 130,807                       |   |
| 2019                       | 14,722                              | 5,945                                | (2,727)                         | 170,059                       |   |
| 2020                       | 17,882                              | 7,743                                | (6,293)                         | 218,290                       |   |
| 2021                       | 48,096                              | 15,420                               | (144,018)                       | 257,389                       |   |
| 2022                       | 71,536                              | 24,234                               | (75,455)                        | 505,686                       |   |
| 2023                       | 204,802                             | 76,184                               | (385,900)                       | 979,367                       |   |
| 2024                       | (306,849)                           | (176,076)                            | (3,845,609)                     | 1,403,295                     |   |
| 2025                       | 199,631,399                         | 114,947,403                          | -                               | 6,088,560                     |   |
| <b>1000 Totals</b>         | <u>\$ 199,754,216</u>               | <u>\$ 114,918,686</u>                | <u>\$ (4,493,285)</u>           | <u>\$ 10,734,981</u>          |   |
|                            |                                     |                                      |                                 | <u>\$ 883,280</u>             |   |
|                            |                                     |                                      |                                 | <u>\$ 11,618,261</u>          |   |
| <b>8000 Taxes Refunded</b> |                                     |                                      |                                 |                               | <u>\$ 191,577</u>                                   |

**GARLAND INDEPENDENT SCHOOL DISTRICT***Exhibit J-2***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL – DEBT SERVICE FUND****For the Year Ended June 30, 2025**

|                                       | <b>Budget</b>         |                       |                       |                                       |
|---------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|
|                                       | <b>Original</b>       | <b>Final</b>          | <b>Actual</b>         | <b>Variance with<br/>Final Budget</b> |
| <b>Revenues</b>                       |                       |                       |                       |                                       |
| Local, intermediate, and out-of-state | \$ 111,192,335        | \$ 119,640,241        | \$ 119,117,815        | \$ (522,426)                          |
| State program revenues                | 15,663,404            | 20,550,540            | 11,729,260            | (8,821,280)                           |
| Federal Program Revenues              | 471,994               | 471,994               | 239,323               | (232,671)                             |
| <b>Total Revenues</b>                 | <u>127,327,733</u>    | <u>140,662,775</u>    | <u>131,086,398</u>    | <u>(9,576,377)</u>                    |
| <b>Expenditures</b>                   |                       |                       |                       |                                       |
| <b>Current:</b>                       |                       |                       |                       |                                       |
| Debt Service:                         |                       |                       |                       |                                       |
| Principal on long-term debt           | 54,420,000            | 105,420,000           | 104,420,000           | 1,000,000                             |
| Interest on long-term debt            | 58,581,267            | 59,781,267            | 58,735,898            | 1,045,369                             |
| Bond issuance costs and fees          | 1,000,000             | 11,000,000            | 20,356                | 10,979,644                            |
| <b>Total Expenditures</b>             | <u>114,001,267</u>    | <u>176,201,267</u>    | <u>163,176,254</u>    | <u>13,025,013</u>                     |
| <br>Net Change in Fund Balance        | <br>13,326,466        | <br>(35,538,492)      | <br>(32,089,856)      | <br>3,448,636                         |
| <br><b>Fund Balance - Beginning</b>   | <br><u>94,767,123</u> | <br><u>94,767,123</u> | <br><u>94,767,123</u> | <br><u>-</u>                          |
| <b>Fund Balance - Ending</b>          | <u>\$ 108,093,589</u> | <u>\$ 59,228,631</u>  | <u>\$ 62,677,267</u>  | <u>\$ 3,448,636</u>                   |

**GARLAND INDEPENDENT SCHOOL DISTRICT***Exhibit J-3*

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**For the Year Ended June 30, 2025**

|                                       | <b>Budget</b>       |                     | <b>Actual</b>       | <b>Variance with<br/>Final Budget</b> |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------------------------|
|                                       | <b>Original</b>     | <b>Final</b>        |                     |                                       |
| <b>Revenues</b>                       |                     |                     |                     |                                       |
| Local, intermediate, and out-of-state | \$ 4,035,000        | \$ 4,035,000        | \$ 4,518,811        | \$ 483,811                            |
| State program revenues                | 170,000             | 170,000             | 167,005             | (2,995)                               |
| Federal Program revenues              | 32,295,000          | 32,295,000          | 33,160,773          | 865,773                               |
| <b>Total Revenues</b>                 | <b>36,500,000</b>   | <b>36,500,000</b>   | <b>37,846,589</b>   | <b>1,346,589</b>                      |
| <b>Expenditures</b>                   |                     |                     |                     |                                       |
| <b>Current:</b>                       |                     |                     |                     |                                       |
| Food service                          | 45,268,500          | 45,268,500          | 43,000,866          | 2,267,634                             |
| <b>Total Expenditures</b>             | <b>45,268,500</b>   | <b>45,268,500</b>   | <b>43,000,866</b>   | <b>2,267,634</b>                      |
| <b>Other Financing Sources (Uses)</b> |                     |                     |                     |                                       |
| Sale of real or personal property     | -                   | -                   | 9,240               | 9,240                                 |
| <b>Other Financing Sources (Uses)</b> | <b>-</b>            | <b>-</b>            | <b>9,240</b>        | <b>9,240</b>                          |
| <br>Net Change in Fund Balance        | <br>(8,768,500)     | <br>(8,768,500)     | <br>(5,145,037)     | <br>3,623,463                         |
| <br><b>Fund Balance - Beginning</b>   | <br>13,764,572      | <br>13,764,572      | <br>13,764,572      | <br>-                                 |
| <b>Fund Balance - Ending</b>          | <b>\$ 4,996,072</b> | <b>\$ 4,996,072</b> | <b>\$ 8,619,535</b> | <b>\$ 3,623,463</b>                   |

**GARLAND INDEPENDENT SCHOOL DISTRICT***Exhibit J-4***COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES***For the Year Ended June 30, 2025*

| <b>Data Codes</b>                              | <b>Section A: Compensatory Education Programs</b>   | <b>Responses</b> |
|--|---|------------------|
| 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.                    | \$ 55,799,222    |
| AP4  | List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30) | \$ 31,622,455    |
| <b>Section B: Bilingual Education Programs</b> |   |                  |
| AP5  | Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?                                       | Yes              |
| AP6  | Does the LEA have written policies and procedures for its bilingual education program?  | Yes              |
| AP7  | List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.                                  | \$ 12,235,991    |
| AP8  | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)                           | \$ 5,226,187     |

## **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> |
|--|-------------|
| <b>Financial Trends</b>  | 98          |
| These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.  |             |
| <b>Revenue Capacity</b>  | 112         |
| These schedules contain information to help the reader assess the government’s most significant local revenue source, property taxes.  |             |
| <b>Debt Capacity</b>   | 116         |
| These schedules present information to help the reader assess the affordability of the government’s ability to issue additional debt in the future.  |             |
| <b>Demographic and Economic Information</b>  | 120         |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.   |             |
| <b>Operating Information</b>   | 125         |
| 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>2025</u>           | <u>2024</u>           | <u>2023</u>           | <u>2022</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental Activities</b>           |                       |                       |                       |                       |                       |
| Net investment in capital assets         | \$ 578,151,122        | \$ 480,701,807        | \$ 428,738,434        | \$ 361,452,377        | \$ 344,843,626        |
| Restricted:                              |                       |                       |                       |                       |                       |
| Food Service                             | 8,619,845             | 13,764,884            | 20,280,410            | 15,150,395            | 3,861,592             |
| Debt Service                             | 47,348,924            | 73,655,174            | 88,907,143            | 86,051,888            | 71,019,364            |
| Grant Funds                              | 1,256,881             | 794,144               | 2,390,707             | 4,637,366             | 326,321               |
| Unrestricted                             | <u>(129,396,694)</u>  | <u>(107,424,768)</u>  | <u>(104,390,058)</u>  | <u>(95,716,573)</u>   | <u>(125,598,808)</u>  |
| <b>Total Governmental Activities Net</b> |                       |                       |                       |                       |                       |
| <b>Position</b>                          | <u>\$ 505,980,078</u> | <u>\$ 461,491,241</u> | <u>\$ 435,926,636</u> | <u>\$ 371,575,453</u> | <u>\$ 294,452,095</u> |

Source of Information: District Financial Statements

<sup>(1)</sup> 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>2020</u>           | <u>2019</u>           | <u>2018 <sup>(1)</sup></u> | <u>2017</u>           | <u>2016</u>           |
|--|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|
| <b>Governmental Activities</b>           |                       |                       |                            |                       |                       |
| Net investment in capital assets         | \$ 352,783,669        | \$ 339,849,519        | \$ 291,998,041             | \$ 230,598,662        | \$ 186,102,148        |
| Restricted:                              |                       |                       |                            |                       |                       |
| Food Service                             | 7,588,492             | 13,250,762            | 10,265,688                 | 6,624,529             | 4,543,133             |
| Debt Service                             | 64,641,353            | 42,716,002            | 22,490,186                 | 13,172,040            | 8,043,823             |
| Grant Funds                              | 1,648,765             | 1,728,391             | 14,140,160                 | 17,492,426            | 11,563,497            |
| Unrestricted                             | <u>(125,543,118)</u>  | <u>(135,726,703)</u>  | <u>(177,634,686)</u>       | <u>88,318,803</u>     | <u>90,509,434</u>     |
| <b>Total Governmental Activities Net</b> |                       |                       |                            |                       |                       |
| <b>Position</b>                          | <u>\$ 301,119,161</u> | <u>\$ 261,817,971</u> | <u>\$ 161,259,389</u>      | <u>\$ 356,206,460</u> | <u>\$ 300,762,035</u> |

Source of Information: District Financial Statements

<sup>(1)</sup> 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**

|   | 2025                    | 2024                    | 2023                    | 2022                    | 2021                    |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Expenses</b>   |                         |                         |                         |                         |                         |
| <b>Governmental Activities:</b>                         |                         |                         |                         |                         |                         |
| Instruction   | \$ 353,310,081          | \$ 409,186,092          | \$ 344,259,620          | \$ 317,418,795          | \$ 369,188,755          |
| Instructional Resources and Media Services              | 8,584,213               | 9,059,956               | 8,487,030               | 7,980,212               | 9,072,406               |
| Curriculum and Instructional Staff Development          | 16,646,077              | 23,308,045              | 22,058,677              | 16,481,755              | 21,989,875              |
| Instructional Leadership                                | 9,084,409               | 12,050,172              | 12,080,850              | 9,355,818               | 10,519,666              |
| School Leadership                                       | 34,884,928              | 37,375,118              | 33,203,007              | 32,252,551              | 35,831,035              |
| Guidance, Counseling, and Evaluation Services           | 27,843,671              | 28,783,354              | 27,249,421              | 24,836,588              | 27,513,261              |
| Social Work Services                                    | 486,750                 | 1,414,741               | 852,798                 | 759,241                 | 1,019,642               |
| Health Services   | 8,571,526               | 9,229,713               | 8,094,188               | 7,810,094               | 8,993,248               |
| Student Transportation                                  | 25,348,491              | 24,584,941              | 22,770,194              | 22,384,920              | 20,286,452              |
| Food Services   | 39,792,274              | 38,172,224              | 30,487,660              | 29,564,837              | 27,247,110              |
| Cocurricular/Extracurricular Activities                 | 17,402,079              | 16,883,891              | 16,258,162              | 15,286,225              | 13,408,253              |
| General Administration                                  | 19,352,079              | 18,115,539              | 19,524,991              | 16,676,471              | 17,617,058              |
| Facilities Maintenance and Operations                   | 68,381,780              | 65,446,777              | 58,623,991              | 54,552,442              | 60,144,444              |
| Security and Monitoring Services                        | 13,163,554              | 11,569,061              | 7,553,802               | 6,883,742               | 7,933,703               |
| Data Processing Services                                | 30,746,513              | 23,467,786              | 19,469,150              | 38,757,440              | 27,680,360              |
| Community Services                                      | 2,409,778               | 3,214,883               | 3,173,845               | 2,754,483               | 3,442,178               |
| Interest on Long- term Debt                             | 59,466,922              | 44,102,253              | 10,946,790              | 16,146,467              | 18,387,683              |
| Bond Issuance Costs and Fees                            | 20,356                  | 5,132,910               | 28,900                  | 21,814                  | -                       |
| Facilities Repair and Maintenance                       | 12,726,323              | 2,108,009               | 592,688                 | 541,822                 | 16,257                  |
| Payments Related to Shared Service Arrangements         | 263                     | 43,094                  | 137,800                 | 176,895                 | 179,365                 |
| Payments to Juvenile Justice Alternative Ed. Program    | 26,220                  | 39,594                  | 58,632                  | 30,702                  | 7,446                   |
| Intergovernmental Charges                               | 1,084,749               | 1,132,671               | 982,673                 | 897,947                 | 963,769                 |
| <b>Total Governmental Activities Expenses</b>           | <b>749,333,036</b>      | <b>784,420,824</b>      | <b>646,894,869</b>      | <b>621,571,261</b>      | <b>681,441,966</b>      |
| <b>Business-Type Activities:</b>                        |                         |                         |                         |                         |                         |
| Concessions   | -                       | -                       | -                       | -                       | -                       |
| <b>Total Primary Government Expenses</b>                | <b>749,333,036</b>      | <b>784,420,824</b>      | <b>646,894,869</b>      | <b>621,571,261</b>      | <b>681,441,966</b>      |
| <b>Program Revenues</b>                                 |                         |                         |                         |                         |                         |
| <b>Governmental Activities:</b>                         |                         |                         |                         |                         |                         |
| Charges for Services:                                   |                         |                         |                         |                         |                         |
| Instruction   | 1,810,364               | 1,885,305               | 168,737                 | 185,304                 | 97,175                  |
| Food Services   | 3,321,423               | 3,346,037               | 4,968,582               | 1,948,410               | 774,760                 |
| Cocurricular/Extracurricular Activities                 | 2,356,957               | 1,929,452               | 4,796,141               | 3,965,199               | 1,037,409               |
| Plant Maintenance and Operations                        | 566,273                 | 653,043                 | 412,626                 | 350,428                 | 168,180                 |
| Operating Grants and Contributions                      | 100,042,677             | 162,928,341             | 121,327,664             | 134,922,344             | 135,181,539             |
| <b>Total Primary Government Governmental Activities</b> | <b>108,097,694</b>      | <b>170,742,178</b>      | <b>131,673,750</b>      | <b>141,371,685</b>      | <b>137,259,063</b>      |
| <b>Program Revenues</b>                                 | <b>108,097,694</b>      | <b>170,742,178</b>      | <b>131,673,750</b>      | <b>141,371,685</b>      | <b>137,259,063</b>      |
| <b>Net ( Expense) / Revenue</b>                         |                         |                         |                         |                         |                         |
| <b>Total Primary Government Net Expense</b>             | <b>\$ (641,235,342)</b> | <b>\$ (613,678,646)</b> | <b>\$ (515,221,119)</b> | <b>\$ (480,199,576)</b> | <b>\$ (544,182,903)</b> |

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**

|   | 2020                    | 2019                    | 2018                    | 2017                    | 2016                    |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Expenses</b>   |                         |                         |                         |                         |                         |
| <b>Governmental Activities:</b>                         |                         |                         |                         |                         |                         |
| Instruction   | \$ 358,104,960          | \$ 328,115,753          | \$ 207,916,878          | \$ 319,232,860          | \$ 326,193,632          |
| Instructional Resources and Media Services              | 9,157,876               | 8,207,096               | 6,073,555               | 8,397,550               | 8,476,668               |
| Curriculum and Instructional Staff Development          | 20,666,755              | 16,034,427              | 12,133,420              | 15,833,458              | 15,289,822              |
| Instructional Leadership                                | 10,023,316              | 8,474,957               | 6,132,427               | 9,239,512               | 9,404,380               |
| School Leadership                                       | 36,632,987              | 30,139,683              | 21,293,586              | 31,663,652              | 31,430,176              |
| Guidance, Counseling, and Evaluation Services           | 27,630,458              | 23,382,685              | 16,606,572              | 23,589,312              | 23,134,956              |
| Social Work Services                                    | 1,247,338               | 871,175                 | 595,506                 | 800,029                 | 1,057,374               |
| Health Services   | 7,931,437               | 6,964,692               | 4,573,637               | 6,893,327               | 6,867,464               |
| Student Transportation                                  | 19,181,850              | 15,440,622              | 14,983,937              | 15,456,729              | 15,154,555              |
| Food Services   | 33,165,956              | 29,264,833              | 27,716,685              | 31,390,062              | 31,575,592              |
| Cocurricular/Extracurricular Activities                 | 13,774,426              | 13,093,002              | 12,441,464              | 9,046,761               | 10,327,317              |
| General Administration                                  | 17,326,424              | 13,725,592              | 11,846,283              | 16,081,858              | 15,353,186              |
| Facilities Maintenance and Operations                   | 43,253,497              | 42,209,307              | 37,334,029              | 38,997,523              | 40,912,661              |
| Security and Monitoring Services                        | 8,820,570               | 7,776,293               | 5,961,321               | 5,970,986               | 6,318,189               |
| Data Processing Services                                | 19,680,574              | 19,561,761              | 13,282,338              | 21,610,633              | 40,659,486              |
| Community Services                                      | 3,552,435               | 3,393,311               | 2,623,819               | 3,939,824               | 4,063,974               |
| Interest on Long- term Debt                             | 21,321,564              | 18,848,982              | 22,796,188              | 22,221,597              | 18,083,049              |
| Bond Issuance Costs and Fees                            | 291,142                 | 197,174                 | 680,874                 | 1,050,341               | 434,984                 |
| Facilities Repair and Maintenance                       | 166,576                 | 131,639                 | 929,320                 | 19,131                  | 1,984,797               |
| Payments Related to Shared Service Arrangements         | 134,796                 | 117,609                 | 103,090                 | 82,925                  | 78,603                  |
| Payments to Juvenile Justice Alternative Ed. Program    | 28,764                  | 10,944                  | 15,996                  | 25,536                  | 30,168                  |
| Intergovernmental Charges                               | 928,362                 | 925,839                 | 835,727                 | 745,631                 | 692,137                 |
| <b>Total Governmental Activities Expenses</b>           | <b>653,022,063</b>      | <b>586,887,376</b>      | <b>426,876,652</b>      | <b>582,289,237</b>      | <b>607,523,170</b>      |
| <b>Business-Type Activities:</b>                        |                         |                         |                         |                         |                         |
| Concessions   | -                       | -                       | -                       | -                       | 213                     |
| <b>Total Primary Government Expenses</b>                | <b>653,022,063</b>      | <b>586,887,376</b>      | <b>426,876,652</b>      | <b>582,289,237</b>      | <b>607,523,383</b>      |
| <b>Program Revenues</b>                                 |                         |                         |                         |                         |                         |
| <b>Governmental Activities:</b>                         |                         |                         |                         |                         |                         |
| Charges for Services:                                   |                         |                         |                         |                         |                         |
| Instruction   | 710,330                 | 1,004,136               | 1,078,595               | 797,456                 | 477,147                 |
| Food Services   | 4,687,943               | 5,907,159               | 7,105,515               | 7,194,211               | 7,729,332               |
| Cocurricular/Extracurricular Activities                 | 3,508,725               | 4,656,066               | 4,744,058               | 4,752,685               | 4,974,632               |
| Plant Maintenance and Operations                        | 121,935                 | 145,580                 | 152,110                 | 329,971                 | 209,727                 |
| Operating Grants and Contributions                      | 121,875,947             | 112,798,531             | 1,262,569               | 111,116,480             | 114,478,252             |
| <b>Total Primary Government Governmental Activities</b> |                         |                         |                         |                         |                         |
| <b>Program Revenues</b>                                 | <b>130,904,880</b>      | <b>124,511,472</b>      | <b>14,342,847</b>       | <b>124,190,803</b>      | <b>127,869,090</b>      |
| <b>Net ( Expense) / Revenue</b>                         |                         |                         |                         |                         |                         |
| <b>Total Primary Government Net Expense</b>             | <b>\$ (522,117,183)</b> | <b>\$ (462,375,904)</b> | <b>\$ (412,533,805)</b> | <b>\$ (458,098,434)</b> | <b>\$ (479,654,293)</b> |

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**

|   | 2025                    | 2024                    | 2023                    | 2022                    | 2021                    |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Net Expense</b>  |                         |                         |                         |                         |                         |
| Governmental activities:                                  | \$ (641,235,342)        | \$ (613,678,646)        | \$ (515,221,119)        | \$ (480,199,576)        | \$ (544,182,903)        |
| Business- type activities:                                | -                       | -                       | -                       | -                       | -                       |
| <b>Total Net Expense</b>                                  | <u>\$ (641,235,342)</u> | <u>\$ (613,678,646)</u> | <u>\$ (515,221,119)</u> | <u>\$ (480,199,576)</u> | <u>\$ (544,182,903)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                         |                         |                         |                         |                         |
| Governmental Activities:                                  |                         |                         |                         |                         |                         |
| Property Taxes, Levied for General Purposes               | \$ 201,720,584          | \$ 178,469,777          | \$ 237,293,135          | \$ 223,608,648          | \$ 214,437,931          |
| Property Taxes, Levied for Debt Service                   | 116,162,383             | 102,749,391             | 88,248,515              | 75,753,284              | 68,918,356              |
| State Aid Formula Grants                                  | 294,803,780             | 305,429,808             | 227,774,513             | 244,406,171             | 262,806,481             |
| Grants and Contributions Not Restricted to Specific Prog. | -                       | -                       | 8,033,656               | 7,337,809               | 3,713,285               |
| Investment Earnings                                       | 59,054,651              | 48,504,923              | 15,700,767              | 159,053                 | 368,376                 |
| Miscellaneous   | 3,584,927               | 3,517,096               | 1,893,857               | 4,513,724               | 798,189                 |
| Transfers In (Out) from Business-Type Activities          | -                       | -                       | -                       | -                       | -                       |
| Special Items:  |                         |                         |                         |                         |                         |
| Gain (Loss) on Disposal of Assets                         | 778,616                 | 572,256                 | 627,859                 | 1,554,245               | 283,574                 |
| <b>Total Governmental Activities General Revenues</b>     | <u>676,104,941</u>      | <u>639,243,251</u>      | <u>579,572,302</u>      | <u>557,332,934</u>      | <u>551,326,192</u>      |
| <b>Business- Type Activities:</b>                         |                         |                         |                         |                         |                         |
| Transfers In(Out) to Governmental Activities              | -                       | -                       | -                       | -                       | -                       |
| <b>Total Business- Type Activities General Revenues</b>   | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <b>Total Primary Government General Revenues</b>          | <u>\$ 676,104,941</u>   | <u>\$ 639,243,251</u>   | <u>\$ 579,572,302</u>   | <u>\$ 557,332,934</u>   | <u>\$ 551,326,192</u>   |
| <b>Change in Net Position</b>                             |                         |                         |                         |                         |                         |
| Governmental Activities                                   | \$ 34,869,599           | \$ 25,564,605           | \$ 64,351,183           | \$ 77,123,358           | \$ 7,143,289            |
| Business- type Activities                                 | -                       | -                       | -                       | -                       | -                       |
| <b>Total Change in Net Position</b>                       | <u>\$ 34,869,599</u>    | <u>\$ 25,564,605</u>    | <u>\$ 64,351,183</u>    | <u>\$ 77,123,358</u>    | <u>\$ 7,143,289</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**

|   | 2020                    | 2019                    | 2018                    | 2017                    | 2016                    |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Net Expense</b>  |                         |                         |                         |                         |                         |
| Governmental activities:                                  | \$ (522,117,183)        | \$ (462,375,904)        | \$ (412,533,805)        | \$ (458,098,434)        | \$ (479,654,080)        |
| Business- type activities:                                | -                       | -                       | -                       | -                       | (213)                   |
| <b>Total Net Expense</b>                                  | <u>\$ (522,117,183)</u> | <u>\$ (462,375,904)</u> | <u>\$ (412,533,805)</u> | <u>\$ (458,098,434)</u> | <u>\$ (479,654,293)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                         |                         |                         |                         |                         |
| Governmental Activities:                                  |                         |                         |                         |                         |                         |
| Property Taxes, Levied for General Purposes               | \$ 199,764,239          | \$ 196,893,187          | \$ 177,189,925          | \$ 160,752,789          | \$ 147,147,310          |
| Property Taxes, Levied for Debt Service                   | 86,252,334              | 79,322,278              | 71,576,774              | 64,727,260              | 44,156,322              |
| State Aid Formula Grants                                  | 264,547,309             | 258,315,850             | 274,441,570             | 280,753,101             | 290,555,354             |
| Grants and Contributions Not Restricted to Specific Prog. | 1,963,128               | 1,734,601               | 2,054,402               | 1,697,891               | 1,614,381               |
| Investment Earnings                                       | 6,333,387               | 8,228,220               | 6,653,988               | 2,981,631               | 1,152,599               |
| Miscellaneous   | 1,863,505               | 1,215,452               | 1,899,433               | 2,252,773               | 917,065                 |
| Transfers In (Out) from Business-Type Activities          | -                       | -                       | -                       | -                       | (429)                   |
| Special Items:  |                         |                         |                         |                         |                         |
| Gain (Loss) on Disposal of Assets                         | 794,471                 | 1,222,636               | 553,941                 | 377,414                 | 246,705                 |
| <b>Total Governmental Activities General Revenues</b>     | <u>561,518,373</u>      | <u>546,932,224</u>      | <u>534,370,033</u>      | <u>513,542,859</u>      | <u>485,789,307</u>      |
| <b>Business- Type Activities:</b>                         |                         |                         |                         |                         |                         |
| Transfers In(Out) to Governmental Activities              | -                       | -                       | -                       | -                       | 429                     |
| <b>Total Business- Type Activities General Revenues</b>   | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>429</u>              |
| <b>Total Primary Government General Revenues</b>          | <u>\$ 561,518,373</u>   | <u>\$ 546,932,224</u>   | <u>\$ 534,370,033</u>   | <u>\$ 513,542,859</u>   | <u>\$ 485,789,736</u>   |
| <b>Change in Net Position</b>                             |                         |                         |                         |                         |                         |
| Governmental Activities                                   | \$ 39,301,190           | \$ 84,556,320           | \$ 121,836,228          | \$ 55,444,425           | \$ 6,135,227            |
| Business- type Activities                                 | -                       | -                       | -                       | -                       | 216                     |
| <b>Total Change in Net Position</b>                       | <u>\$ 39,301,190</u>    | <u>\$ 84,556,320</u>    | <u>\$ 121,836,228</u>   | <u>\$ 55,444,425</u>    | <u>\$ 6,135,443</u>     |

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>2025</u>           | <u>2024</u>             | <u>2023</u>           | <u>2022</u>           | <u>2021</u>           |
|---|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| <b>General Fund</b>                       |                       |                         |                       |                       |                       |
| Nonspendable:                             |                       |                         |                       |                       |                       |
| Inventories                               | \$ 2,460,682          | \$ 1,979,596            | \$ 1,718,341          | \$ 1,321,726          | \$ 1,117,564          |
| Prepaid items                             | -                     | 87,500                  | -                     | -                     | -                     |
| Committed:                                |                       |                         |                       |                       |                       |
| Self-Insurance                            | 8,000,000             | 7,000,000               | 7,000,000             | 7,000,000             | 7,000,000             |
| Assigned:                                 |                       |                         |                       |                       |                       |
| Other purposes                            | -                     | -                       | 1,122,900             | 1,122,900             | 587,312               |
| Unassigned                                | 170,850,650           | 199,816,901             | 252,679,025           | 276,140,819           | 262,239,740           |
| <b>Total General Fund</b>                 | <u>\$ 181,311,332</u> | <u>\$ 208,883,997</u>   | <u>\$ 262,520,266</u> | <u>\$ 285,585,445</u> | <u>\$ 270,944,616</u> |
| <b>All Other Governmental Funds</b>       |                       |                         |                       |                       |                       |
| Nonspendable:                             |                       |                         |                       |                       |                       |
| Inventories                               | \$ -                  | \$ -                    | \$ 3,061,132          | \$ 2,022,903          | \$ 1,822,884          |
| Prepaid items                             | -                     | -                       | -                     | -                     | -                     |
| Restricted:                               |                       |                         |                       |                       |                       |
| Grant funds                               | 9,876,726             | 14,559,028              | 19,609,985            | 17,764,858            | 4,095,812             |
| Capital acquisition                       | 873,069,333           | 953,053,579             | 5,446,933             | 11,743,460            | 18,841,281            |
| Debt Service                              | 62,677,267            | 94,767,123              | 92,689,153            | 91,495,627            | 76,901,253            |
| Committed:                                |                       |                         |                       |                       |                       |
| Local Special Revenue fund                | 3,105,862             | 3,314,097               | 3,917,895             | 3,650,870             | 3,145,316             |
| Assigned:                                 |                       |                         |                       |                       |                       |
| Construction and Capital Expenditures     | 23,407,848            | 26,109,177              | 24,121,862            | 12,961,937            | 16,725,738            |
| <b>Total All Other Governmental Funds</b> | <u>\$ 972,137,036</u> | <u>\$ 1,091,803,004</u> | <u>\$ 148,846,960</u> | <u>\$ 139,639,655</u> | <u>\$ 121,532,284</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>2020</u>           | <u>2019</u>           | <u>2018</u>           | <u>2017</u>           | <u>2016</u>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>General Fund</b>                       |                       |                       |                       |                       |                       |
| Nonspendable:                             |                       |                       |                       |                       |                       |
| Inventories                               | \$ 998,377            | \$ 925,912            | \$ 907,053            | \$ 890,698            | \$ 985,030            |
| Prepaid items                             | -                     | -                     | -                     | -                     | 1,044,039             |
| Committed:                                |                       |                       |                       |                       |                       |
| Self-Insurance                            | 8,000,000             | 8,000,000             | 8,000,000             | 8,000,000             | 8,000,000             |
| Assigned:                                 |                       |                       |                       |                       |                       |
| Other purposes                            | 587,312               | 673,486               | -                     | -                     | -                     |
| Unassigned                                | 257,899,782           | 220,271,987           | 184,480,205           | 178,872,613           | 162,004,045           |
| <b>Total General Fund</b>                 | <u>\$ 267,485,471</u> | <u>\$ 229,871,385</u> | <u>\$ 193,387,258</u> | <u>\$ 187,763,311</u> | <u>\$ 172,033,114</u> |
| <b>All Other Governmental Funds</b>       |                       |                       |                       |                       |                       |
| Nonspendable:                             |                       |                       |                       |                       |                       |
| Inventories                               | \$ 1,648,765          | \$ 1,507,585          | \$ 2,069,511          | \$ 1,906,372          | \$ 2,049,499          |
| Prepaid items                             | -                     | -                     | -                     | -                     | 1,655,335             |
| Restricted:                               |                       |                       |                       |                       |                       |
| Grant funds                               | 13,603,962            | 13,471,568            | 22,336,337            | 22,210,583            | 12,437,623            |
| Capital acquisition                       | 26,326,966            | 75,272,373            | 126,954,526           | 158,771,545           | 97,915,261            |
| Debt Service                              | 71,517,196            | 50,239,546            | 22,925,084            | 13,716,951            | 8,345,668             |
| Committed:                                |                       |                       |                       |                       |                       |
| Local Special Revenue fund                | 3,087,876             | 3,088,140             | 2,778,486             | 2,493,805             | 2,330,898             |
| Assigned:                                 |                       |                       |                       |                       |                       |
| Construction and Capital Expenditures     | 19,528,565            | 23,960,584            | 6,096,195             | 15,501,859            | 21,289,184            |
| <b>Total All Other Governmental Funds</b> | <u>\$ 135,713,330</u> | <u>\$ 167,539,796</u> | <u>\$ 183,160,139</u> | <u>\$ 214,601,115</u> | <u>\$ 146,023,468</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**

|                            | 2025                  | 2024                  | 2023                  | 2022                  | 2021                  |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Local Sources:</b>      |                       |                       |                       |                       |                       |
| Property taxes             | \$ 317,624,912        | \$ 280,283,393        | \$ 324,349,554        | \$ 299,662,160        | \$ 283,024,048        |
| Earnings on investments    | 59,054,651            | 48,504,923            | 15,700,767            | 159,053               | 368,376               |
| Other local sources        | 11,453,476            | 11,330,933            | 13,481,857            | 11,476,056            | 3,170,917             |
| <b>Total Local Sources</b> | <b>388,133,039</b>    | <b>340,119,249</b>    | <b>353,532,178</b>    | <b>311,297,269</b>    | <b>286,563,341</b>    |
| <b>State Sources:</b>      |                       |                       |                       |                       |                       |
| Per capita                 | 29,008,269            | 20,127,449            | 30,909,963            | 23,833,645            | 25,176,938            |
| Foundation School Program  | 246,337,849           | 256,475,962           | 196,864,550           | 217,728,769           | 237,629,543           |
| On-behalf payments         | 32,152,357            | 30,508,261            | 28,465,299            | 25,977,900            | 26,602,024            |
| Other state sources        | 19,457,662            | 28,826,397            | 8,336,010             | 8,421,451             | 3,159,986             |
| <b>Total State Sources</b> | <b>326,956,137</b>    | <b>335,938,069</b>    | <b>264,575,822</b>    | <b>275,961,765</b>    | <b>292,568,491</b>    |
| <b>Federal Sources:</b>    | <b>91,510,380</b>     | <b>143,538,036</b>    | <b>119,580,890</b>    | <b>136,169,471</b>    | <b>75,318,252</b>     |
| <b>Total Revenues</b>      | <b>\$ 806,599,556</b> | <b>\$ 819,595,354</b> | <b>\$ 737,688,890</b> | <b>\$ 723,428,505</b> | <b>\$ 654,450,084</b> |

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**

|                            | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Local Sources:</b>      |                       |                       |                       |                       |                       |
| Property taxes             | \$ 285,771,808        | \$ 274,636,369        | \$ 248,652,345        | \$ 225,136,669        | \$ 191,213,265        |
| Earnings on investments    | 6,722,485             | 8,894,333             | 7,062,195             | 3,097,611             | 1,185,673             |
| Other local sources        | 11,174,237            | 13,259,911            | 15,063,980            | 15,651,100            | 15,031,358            |
| <b>Total Local Sources</b> | <b>303,668,530</b>    | <b>296,790,613</b>    | <b>270,778,520</b>    | <b>243,885,380</b>    | <b>207,430,296</b>    |
| <b>State Sources:</b>      |                       |                       |                       |                       |                       |
| Per Capita                 | 16,674,101            | 25,704,088            | 11,062,727            | 21,076,581            | 9,745,185             |
| Foundation School Program  | 247,846,209           | 232,611,762           | 263,378,843           | 259,534,696           | 280,665,610           |
| On-behalf payments         | 27,012,627            | 19,313,463            | 23,208,664            | 21,332,244            | 21,873,710            |
| Other state sources        | 12,314,782            | 6,560,794             | 12,131,942            | 26,644,134            | 25,246,920            |
| <b>Total State Sources</b> | <b>303,847,719</b>    | <b>284,190,107</b>    | <b>309,782,176</b>    | <b>328,587,655</b>    | <b>337,531,425</b>    |
| <b>Federal Sources:</b>    | <b>62,253,721</b>     | <b>67,360,453</b>     | <b>67,513,974</b>     | <b>60,268,133</b>     | <b>56,398,403</b>     |
| <b>Total Revenues</b>      | <b>\$ 669,769,970</b> | <b>\$ 648,341,173</b> | <b>\$ 648,074,670</b> | <b>\$ 632,741,168</b> | <b>\$ 601,360,124</b> |

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**

|   | 2025                  | 2024                  | 2023                  | 2022                  | 2021                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenditures</b>   |                       |                       |                       |                       |                       |
| <b>Governmental Funds</b>                                       |                       |                       |                       |                       |                       |
| 11 Instruction  | \$ 364,666,146        | \$ 405,735,445        | \$ 357,540,423        | \$ 333,950,073        | \$ 332,557,093        |
| 12 Instructional resources and media services                   | 8,730,372             | 8,964,529             | 8,539,542             | 8,037,956             | 8,101,282             |
| 13 Curriculum and staff development services                    | 17,512,024            | 23,663,095            | 24,193,337            | 18,494,595            | 19,906,532            |
| <b>Total Function 10</b>  | <b>390,908,542</b>    | <b>438,363,069</b>    | <b>390,273,302</b>    | <b>360,482,624</b>    | <b>360,564,907</b>    |
| 21 Instructional leadership                                     | 9,480,080             | 12,246,667            | 13,325,894            | 10,268,732            | 9,406,788             |
| 23 School leadership  | 36,697,055            | 37,948,668            | 35,627,821            | 34,798,715            | 32,935,531            |
| <b>Total Function 20</b>  | <b>46,177,135</b>     | <b>50,195,335</b>     | <b>48,953,715</b>     | <b>45,067,447</b>     | <b>42,342,319</b>     |
| 31 Guidance, counseling, and evaluation services                | 29,059,207            | 29,081,111            | 28,935,121            | 26,682,496            | 25,585,408            |
| 32 Social work services   | 475,750               | 1,410,243             | 983,358               | 889,880               | 890,595               |
| 33 Health services  | 8,997,481             | 9,334,710             | 8,635,615             | 8,385,657             | 8,353,605             |
| 34 Student transportation                                       | 23,514,856            | 22,639,548            | 21,902,000            | 23,587,583            | 20,589,514            |
| 35 Food service   | 43,257,389            | 43,180,359            | 31,625,806            | 31,261,239            | 24,518,211            |
| 36 Extracurricular activities                                   | 15,776,341            | 15,492,987            | 14,428,365            | 13,434,820            | 10,963,157            |
| <b>Total Function 30</b>  | <b>121,081,024</b>    | <b>121,138,958</b>    | <b>106,510,265</b>    | <b>104,241,675</b>    | <b>90,900,490</b>     |
| 41 General administration                                       | 19,936,183            | 18,271,136            | 20,067,502            | 17,555,931            | 16,481,795            |
| <b>Total Function 40</b>  | <b>19,936,183</b>     | <b>18,271,136</b>     | <b>20,067,502</b>     | <b>17,555,931</b>     | <b>16,481,795</b>     |
| 51 Facilities maintenance and operations                        | 60,017,328            | 53,963,307            | 48,270,507            | 42,798,724            | 48,359,044            |
| 52 Security and monitoring services                             | 13,365,121            | 11,775,969            | 7,632,605             | 6,979,083             | 7,751,435             |
| 53 Data processing services                                     | 45,633,350            | 25,417,639            | 18,970,581            | 36,252,125            | 20,946,771            |
| <b>Total Function 50</b>  | <b>119,015,799</b>    | <b>91,156,915</b>     | <b>74,873,693</b>     | <b>86,029,932</b>     | <b>77,057,250</b>     |
| 61 Community services   | 1,738,489             | 2,389,847             | 2,554,270             | 2,119,405             | 2,324,494             |
| <b>Total Function 60</b>  | <b>1,738,489</b>      | <b>2,389,847</b>      | <b>2,554,270</b>      | <b>2,119,405</b>      | <b>2,324,494</b>      |
| 71 Debt service   |                       |                       |                       |                       |                       |
| Principal on long-term debt                                     | 107,065,669           | 128,999,236           | 84,592,657            | 42,985,925            | 43,557,517            |
| Interest on long-term debt                                      | 58,735,898            | 18,697,672            | 18,598,642            | 20,559,389            | 22,423,626            |
| Bond issuance costs and fees                                    | 20,356                | 5,132,910             | 28,900                | 21,815                | -                     |
| <b>Total Function 70</b>  | <b>165,821,923</b>    | <b>152,829,818</b>    | <b>103,220,199</b>    | <b>63,567,129</b>     | <b>65,981,143</b>     |
| 81 Facilities acquisition/construction                          | 111,251,763           | 34,175,571            | 13,154,207            | 11,054,863            | 9,043,998             |
| <b>Total Function 80</b>  | <b>111,251,763</b>    | <b>34,175,571</b>     | <b>13,154,207</b>     | <b>11,054,863</b>     | <b>9,043,998</b>      |
| 93 Payments related to Shared Services Arrangements             | 263                   | 43,094                | 137,800               | 176,895               | 179,365               |
| 95 Payments to Juvenile Justice Alternative                     | 26,220                | 39,594                | 58,632                | 30,702                | 7,446                 |
| 99 Other Intergovernmental Charges                              | 1,080,067             | 1,063,997             | 982,673               | 897,947               | 963,769               |
| <b>Total Function 90</b>  | <b>1,106,550</b>      | <b>1,146,685</b>      | <b>1,179,105</b>      | <b>1,105,544</b>      | <b>1,150,580</b>      |
| <b>Total Expenditures</b>                                       | <b>\$ 977,037,408</b> | <b>\$ 909,667,334</b> | <b>\$ 760,786,258</b> | <b>\$ 691,224,550</b> | <b>\$ 665,846,976</b> |
| <b>Debt Services as a Percentage of Noncapital Expenditures</b> | <b>19.8%</b>          | <b>17.1%</b>          | <b>13.8%</b>          | <b>9.3%</b>           | <b>10.0%</b>          |

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**

|   | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenditures</b>   |                       |                       |                       |                       |                       |
| <b>Governmental Funds</b>                                       |                       |                       |                       |                       |                       |
| 11 Instruction  | \$ 313,376,748        | \$ 289,498,626        | \$ 311,197,039        | \$ 296,735,311        | \$ 295,875,044        |
| 12 Instructional resources and media services                   | 8,024,543             | 7,217,229             | 7,823,749             | 7,715,713             | 7,976,025             |
| 13 Curriculum and staff development services                    | 18,605,901            | 14,656,530            | 17,104,803            | 15,302,908            | 14,955,504            |
| <b>Total Function 10</b>  | <b>340,007,192</b>    | <b>311,372,385</b>    | <b>336,125,591</b>    | <b>319,753,932</b>    | <b>318,806,573</b>    |
| 21 Instructional leadership                                     | 8,904,397             | 7,525,112             | 9,233,263             | 8,745,559             | 8,909,833             |
| 23 School leadership  | 32,873,981            | 27,282,621            | 31,796,289            | 30,381,505            | 30,227,932            |
| <b>Total Function 20</b>  | <b>41,778,378</b>     | <b>34,807,733</b>     | <b>41,029,552</b>     | <b>39,127,064</b>     | <b>39,137,765</b>     |
| 31 Guidance, counseling, and evaluation services                | 24,888,743            | 21,300,563            | 24,485,165            | 22,844,915            | 22,461,110            |
| 32 Social work services   | 1,198,380             | 830,424               | 745,589               | 791,786               | 1,045,330             |
| 33 Health services  | 7,144,408             | 6,280,318             | 6,981,160             | 6,603,999             | 6,618,661             |
| 34 Student transportation                                       | 18,520,848            | 12,804,688            | 17,567,596            | 16,363,472            | 16,638,683            |
| 35 Food service   | 33,679,845            | 27,001,019            | 29,549,801            | 29,606,960            | 29,920,357            |
| 36 Extracurricular activities                                   | 10,990,385            | 10,809,099            | 11,429,637            | 8,518,724             | 9,052,990             |
| <b>Total Function 30</b>  | <b>96,422,609</b>     | <b>79,026,111</b>     | <b>90,758,948</b>     | <b>84,729,856</b>     | <b>85,737,131</b>     |
| 41 General administration                                       | 16,007,105            | 12,657,677            | 15,222,824            | 15,414,043            | 14,799,780            |
| <b>Total Function 40</b>  | <b>16,007,105</b>     | <b>12,657,677</b>     | <b>15,222,824</b>     | <b>15,414,043</b>     | <b>14,799,780</b>     |
| 51 Facilities maintenance and operations                        | 39,966,515            | 32,985,083            | 40,824,190            | 38,255,742            | 38,407,218            |
| 52 Security and monitoring services                             | 8,733,696             | 7,706,790             | 9,668,579             | 5,720,961             | 6,123,148             |
| 53 Data processing services                                     | 18,446,887            | 18,426,974            | 24,237,927            | 19,626,462            | 48,340,584            |
| <b>Total Function 50</b>  | <b>67,147,098</b>     | <b>59,118,847</b>     | <b>74,730,696</b>     | <b>63,603,165</b>     | <b>92,870,950</b>     |
| 61 Community services   | 2,329,983             | 2,419,362             | 2,653,384             | 2,923,205             | 3,059,647             |
| <b>Total Function 60</b>  | <b>2,329,983</b>      | <b>2,419,362</b>      | <b>2,653,384</b>      | <b>2,923,205</b>      | <b>3,059,647</b>      |
| 71 Debt service   |                       |                       |                       |                       |                       |
| Principal on long-term debt                                     | 43,165,629            | 41,850,089            | 47,726,335            | 48,531,442            | 38,298,252            |
| Interest on long-term debt                                      | 24,383,826            | 16,118,574            | 26,651,612            | 25,536,628            | 20,492,629            |
| Bond issuance costs and fees                                    | 291,142               | 973,543               | 680,874               | 1,050,341             | 434,984               |
| <b>Total Function 70</b>  | <b>67,840,597</b>     | <b>58,942,206</b>     | <b>75,058,821</b>     | <b>75,118,411</b>     | <b>59,225,865</b>     |
| 81 Facilities acquisition/construction                          | 38,591,012            | 69,907,342            | 127,989,717           | 118,361,627           | 54,519,046            |
| <b>Total Function 80</b>  | <b>38,591,012</b>     | <b>69,907,342</b>     | <b>127,989,717</b>    | <b>118,361,627</b>    | <b>54,519,046</b>     |
| 93 Payments related to Shared Services Arrangements             | 134,796               | 117,609               | 103,090               | 82,925                | 78,603                |
| 95 Payments to Juvenile Justice Alternative                     | 28,764                | 10,944                | 15,996                | 25,536                | 30,168                |
| 99 Other Intergovernmental Charges                              | 928,362               | 925,839               | 835,727               | 745,631               | 692,137               |
| <b>Total Function 90</b>  | <b>1,091,922</b>      | <b>1,054,392</b>      | <b>954,813</b>        | <b>854,092</b>        | <b>800,908</b>        |
| <b>Total Expenditures</b>                                       | <b>\$ 671,215,896</b> | <b>\$ 629,306,055</b> | <b>\$ 764,524,346</b> | <b>\$ 719,885,395</b> | <b>\$ 668,957,665</b> |
| <b>Debt Services as a Percentage of Noncapital Expenditures</b> | <b>10.7%</b>          | <b>10.5%</b>          | <b>11.8%</b>          | <b>12.5%</b>          | <b>9.6%</b>           |

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 1 of 2**

|   | 2025                    | 2024                  | 2023                   | 2022                 | 2021                   |
|---|-------------------------|-----------------------|------------------------|----------------------|------------------------|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (170,437,852)        | \$ (90,071,980)       | \$ (23,097,368)        | \$ 32,203,955        | \$ (11,396,892)        |
| <b>Other Financing Sources (Uses):</b>                    |                         |                       |                        |                      |                        |
| Capital related debt issued (Bonds)                       | -                       | -                     | -                      | -                    | -                      |
| Issuance of bonds   | -                       | 891,435,000           | -                      | -                    | 47,830,000             |
| Sale of real or personal property                         | 816,563                 | 572,256               | 627,859                | 1,544,245            | 294,314                |
| Issuance of leases  | 5,305,274               | -                     | -                      | -                    | -                      |
| Issuance of loans   | 1,951,780               | 119,473               | -                      | -                    | -                      |
| Transfers in  | 3,449,310               | 33,951,529            | 18,450,539             | 4,317,037            | 5,814,949              |
| Premium or discount on issuance of bonds                  | -                       | 87,265,026            | -                      | -                    | 6,685,636              |
| Other financing sources - SBITA                           | -                       | -                     | 2,231,635              | -                    | -                      |
| Other resources   | -                       | -                     | -                      | -                    | -                      |
| Insurance recovery  | -                       | -                     | -                      | -                    | -                      |
| Transfers out   | (3,449,310)             | (33,951,529)          | (18,830,539)           | (5,317,037)          | (5,814,949)            |
| Payments to refunded bonds escrow agent                   | -                       | -                     | -                      | -                    | (54,134,959)           |
| <b>Total Other Financing Sources (Uses)</b>               | <b>8,073,617</b>        | <b>979,391,755</b>    | <b>2,479,494</b>       | <b>544,245</b>       | <b>674,991</b>         |
| <b>Net Change in Fund Balances</b>                        | <b>\$ (162,364,235)</b> | <b>\$ 889,319,775</b> | <b>\$ (20,617,874)</b> | <b>\$ 32,748,200</b> | <b>\$ (10,721,901)</b> |

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**

|   | 2020                | 2019                 | 2018                   | 2017                 | 2016                   |
|---|---------------------|----------------------|------------------------|----------------------|------------------------|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (1,445,926)      | \$ 19,035,118        | \$ (116,449,676)       | \$ (87,144,227)      | \$ (67,597,541)        |
| <b>Other Financing Sources (Uses):</b>                    |                     |                      |                        |                      |                        |
| Capital related debt issued (Bonds)                       | -                   | -                    | 78,565,000             | 150,250,000          | -                      |
| Issuance of bonds   | 28,420,000          | 14,525,000           | -                      | -                    | 40,560,000             |
| Sale of real or personal property                         | 794,472             | 1,229,284            | 551,166                | 377,414              | 371,262                |
| Issuance of leases  | -                   | -                    | -                      | -                    | -                      |
| Issuance of loans   | -                   | -                    | -                      | -                    | -                      |
| Transfers in  | 20,380,497          | 37,284,586           | 13,600,000             | 10,978,893           | 9,305,830              |
| Premium or discount on issuance of bonds                  | 2,538,455           | 984,675              | 11,539,604             | 20,810,175           | 6,405,364              |
| Other financing sources - SBITA                           | -                   | -                    | -                      | -                    | -                      |
| Other resources   | 6,170,152           | 404,544              | -                      | 14,483               | 21,799                 |
| Insurance recovery  | -                   | -                    | -                      | -                    | -                      |
| Transfers out   | (20,380,497)        | (37,284,586)         | (13,623,123)           | (10,978,894)         | (9,243,249)            |
| Payments to refunded bonds escrow agent                   | (30,689,533)        | (15,314,836)         | -                      | -                    | (47,261,626)           |
| <b>Total Other Financing Sources (Uses)</b>               | <b>7,233,546</b>    | <b>1,828,667</b>     | <b>90,632,647</b>      | <b>171,452,071</b>   | <b>159,380</b>         |
| <b>Net Change in Fund Balances</b>                        | <b>\$ 5,787,620</b> | <b>\$ 20,863,785</b> | <b>\$ (25,817,029)</b> | <b>\$ 84,307,844</b> | <b>\$ (67,438,161)</b> |

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<br>Personal<br>Property | Less:<br>Exemptions | Total Direct<br>Estimated<br>Taxable Value | Total<br>Direct Rate <sup>(1)</sup> |
|-------------|-----------------------------|------------------------------|----------------------------------|---------------------|--|-------------------------------------|
|             | Commercial<br>Real Property | Residential<br>Real Property |                                  |                     |  |                                     |
| 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                              |
| 2025        | 11,790,488,660              | 29,584,841,480               | 4,020,782,650                    | 14,882,518,576      | 30,513,594,214                             | 1.0509                              |

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.

<sup>(1)</sup> Per \$100 of assessed value

**GARLAND INDEPENDENT SCHOOL DISTRICT***Exhibit S-9***PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS****(Per \$100 of Assessed Value)****LAST TEN FISCAL YEARS****(Unaudited)**

| Fiscal Year | Garland Independent School District |           |           | Overlapping Rates |           |           |           |           |           |
|-------------|-------------------------------------|-----------|-----------|-------------------|-----------|-----------|-----------|-----------|-----------|
|             | Maintenance                         | Debt      | Total     | City              | Dallas    | City      | City      | City      | City      |
|             | and                                 | Service   |           | of                | County    | of        | of        | of        | of        |
|             | Operations                          |           |           | Garland           |           | Rowlett   | Sachse    | Dallas    | Mesquite  |
| 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    |
| 2025        | 0.6669                              | 0.3840    | 1.0509    | 0.6897            | 0.5330    | 0.7696    | 0.6504    | 0.7047    | 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**
*Exhibit S-10*
**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

| Taxpayer             | 2025                    |      |                                    | 2016                   |      |                                    |
|----------------------|-------------------------|------|------------------------------------|------------------------|------|------------------------------------|
|                      | Taxable Assessed Value  | Rank | Percentage of Total Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Assessed Value |
| Oboe LLC             | \$ 611,558,180          | 1    | 1.87%                              |                        |      |                                    |
| BVfV                 | 290,279,730             | 2    | 0.89%                              |                        |      |                                    |
| BMEF                 | 284,050,000             | 3    | 0.87%                              | \$ 47,210,340          | 9    | 0.34%                              |
| Kraft/Us Foods       | 194,593,822             | 4    | 0.60%                              | 108,295,965            | 3    | 0.77%                              |
| NTT Global           | 181,877,020             | 5    | 0.56%                              |                        |      |                                    |
| TX Parkside          | 153,300,000             | 6    | 0.47%                              |                        |      |                                    |
| Harmony Hill LLC     | 128,085,280             | 7    | 0.39%                              |                        |      |                                    |
| Walmart/Sams         | 114,559,550             | 8    | 0.35%                              | 146,516,120            | 1    | 1.05%                              |
| Atmos                | 112,614,110             | 9    | 0.34%                              |                        |      |                                    |
| Omnient Town Center  | 112,000,000             | 10   | 0.34%                              | 43,562,000             | 10   | 0.31%                              |
| Simon Property Group |                         |      |                                    | 138,278,000            | 2    | 0.99%                              |
| Verizon/G.T.E.       |                         |      |                                    | 71,361,960             | 4    | 0.51%                              |
| Oncor                |                         |      |                                    | 66,639,770             | 5    | 0.48%                              |
| Landmark at Lakeways |                         |      |                                    | 65,909,350             | 6    | 0.47%                              |
| Engineered Polymer   |                         |      |                                    | 49,736,039             | 7    | 0.36%                              |
| Plastipak Packaging  |                         |      |                                    | 47,544,434             | 8    | 0.34%                              |
| <b>Total</b>         | <u>\$ 2,182,917,692</u> |      | <u>6.68%</u>                       | <u>\$ 785,053,978</u>  |      | <u>5.62%</u>                       |

Source: Garland ISD Tax Office



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

**Exhibit S-11**

| Tax Roll<br>for<br>Fiscal<br>Year | Tax Levy<br>for the<br>Fiscal<br>Year <sup>(1)</sup> | Collected within the<br>Fiscal Year of the Levy |                                  | Collections<br>in<br>Subsequent<br>Years | Total Collections to Date |   |
|-----------------------------------|--|---|----------------------------------|--|---------------------------|---|
|                                   |  | Amount  | Percentage<br>of Net Tax<br>Levy |  | Amount <sup>(2)</sup>     | Percent of<br>Total Tax<br>Collections<br>to Net<br>Tax Levy <sup>(3)</sup> |
| 2016                              | \$ 189,482,711                                       | \$ 188,970,074                                  | 99.7%                            | \$ 1,209,110                             | \$ 190,179,184            | 100.4%  |
| 2017                              | 224,287,930  | 222,388,900                                     | 99.2%                            | 1,222,308                                | 223,611,208               | 99.7%   |
| 2018                              | 247,692,044  | 245,609,092                                     | 99.2%                            | 875,822                                  | 246,484,914               | 99.5%   |
| 2019                              | 275,024,718  | 271,302,643                                     | 98.6%                            | 2,619,359                                | 273,922,002               | 99.6%   |
| 2020                              | 285,501,471  | 281,232,708                                     | 98.5%                            | 2,929,104                                | 284,161,812               | 99.5%   |
| 2021                              | 282,599,717  | 278,778,941                                     | 98.6%                            | 1,988,148                                | 280,767,089               | 99.4%   |
| 2022                              | 298,877,100  | 295,136,156                                     | 98.7%                            | 1,122,792                                | 296,258,948               | 99.1%   |
| 2023                              | 325,740,392  | 230,851,407                                     | 98.5%                            | -  | 230,851,407               | 98.5%   |
| 2024                              | 283,024,416  | 278,258,437                                     | 98.3%                            | -  | 278,258,437               | 98.3%   |
| 2025                              | 320,667,362  | 314,578,802                                     | 98.1%                            | -  | 314,578,802               | 98.1%   |

Source: Dallas Central Appraisal District and District records.

Notes:

<sup>(1)</sup> The Garland ISD Tax Office is the collecting agent for the District.

<sup>(2)</sup> Total cash collections are total cash net of interest and penalty collections and other judgements.

<sup>(3)</sup> 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 <sup>(1)</sup> | Outstanding Debt Per Capita |
|-------------|---|---------------|------------------------------|----------------------|--------------------------|--|-----------------------------|
|             | General Obligation Bonds <sup>(2)</sup> | Notes Payable | Lease Payable <sup>(3)</sup> | SBITA <sup>(4)</sup> | Total Primary Government |  |                             |
| 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                       |
| 2025        | 1,117,043,838                           | 6,503,134     | 7,428,516                    | 582,498              | 1,131,557,986            | 3.71%  | 3,371                       |

Source: Dallas Central Appraisal District and District records.

**Note:**

<sup>(1)</sup> The ratio of outstanding debt to personal income has not been included as personal income data is not available.

<sup>(2)</sup> Includes accreted interest and premium on bond insurance.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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*

| <b>Fiscal Year</b> | <b>General Obligations Bonds <sup>(1)</sup></b> | <b>Less Reserve for Retirement of Bonded Debt <sup>(2)</sup></b> | <b>Total</b>   | <b>Percentage of Estimated Actual Taxable Value of Property <sup>(3)</sup></b> | <b>Per Capita <sup>(4)</sup></b> |
|--------------------|---|--|----------------|--|----------------------------------|
| 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                                   | 73,655,174   | 1,155,051,069  | 4.30%  | 3,372                            |
| 2025               | 1,117,043,838                                   | 47,348,924   | 1,069,694,914  | 3.51%  | 3,187                            |

Source:

<sup>(1)</sup> This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums

<sup>(2)</sup> This is the amount restricted for debt service principal payments.

<sup>(3)</sup> See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property for property value data.

<sup>(4)</sup> 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, 2025**  
**(Unaudited)**

**Exhibit S-14**

| <b>Governmental Unit</b>   | <b>Gross Debt<br/>Outstanding</b> | <b>Percent<br/>Overlapping</b> | <b>Amount<br/>Overlapping</b> |
|--|-----------------------------------|--------------------------------|-------------------------------|
| <b>Direct:</b>   |                                   |                                |                               |
| <b>Garland Independent School District</b>                         |                                   |                                |                               |
| General Obligation Bonds   | \$ 1,117,043,838                  | 100.00%                        | \$ 1,117,043,838              |
| Notes Payable  | 6,503,134                         | 100.00%                        | 6,503,134                     |
| Leases   | 7,428,516                         | 100.00%                        | 7,428,516                     |
| SBITAs   | 582,498                           | 100.00%                        | 582,498                       |
| <b>Total Direct Debt</b>   | <b>1,131,557,986</b>              |                                | <b>1,131,557,986</b>          |
| <b>Overlapping:</b>  |                                   |                                |                               |
| City of Garland  | 664,485,000                       | 91.17%                         | 605,810,975                   |
| City of Rowlett  | 204,230,000                       | 85.74%                         | 175,106,802                   |
| City of Sachse   | 65,881,885                        | 61.63%                         | 40,603,006                    |
| City of Dallas   | 2,532,963,593                     | 0.24%                          | 6,079,113                     |
| City of Mesquite   | 251,761,245                       | 0.06%                          | 151,057                       |
| City of Richardson   | 353,790,656                       | 0.05%                          | 176,895                       |
| City of Wylie  | 61,480,000                        | 2.83%                          | 1,739,884                     |
| Dallas County  | 179,530,000                       | 8.16%                          | 14,649,648                    |
| Dallas College   | 123,294,162                       | 8.16%                          | 10,060,804                    |
| Dallas County MUD # 4  | 21,370,000                        | 100.00%                        | 21,370,000                    |
| Dallas County Hospital District                                    | 511,285,000                       | 8.16%                          | 41,720,856                    |
| <b>Total Overlapping Debt</b>                                      | <b>4,970,071,541</b>              |                                | <b>917,469,040</b>            |
| <b>Total Direct and Overlapping Debt</b>                           | <b>\$ 6,101,629,527</b>           |                                | <b>\$ 2,049,027,026</b>       |
| Taxable Assessed Valuation   | \$ 1,121,621,424                  |                                | \$ 30,513,594,214             |
| Ratio of Direct and Overlapping Debt to taxable assessed valuation |                                   |                                | 6.72%                         |
| Direct and Overlapping Debt per Capita                             |                                   |                                | \$ 6,105                      |

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, 2025**

**(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](http://www.capitol.state.tx.us).

The District's debt service tax rate for fiscal year 2025 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 <sup>1</sup>**  
**(Unaudited)**

*Exhibit S-16*

| <b>Fiscal<br/>Year</b> | <b>Population</b> | <b>Personal Income<br/>(hundreds of<br/>dollars)</b> | <b>Per Capita<br/>Personal<br/>Income (dollars)</b> | <b>Unemployment<br/>Rate</b> |
|------------------------|-------------------|--|---|------------------------------|
| 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%                         |
| 2025                   | 335,656           | 148,007,513  | 44,095  | 4.1%                         |

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                 | 2025          |      |                                      | 2016          |      |                                      |
|------------------------------------|---------------|------|--------------------------------------|---------------|------|--------------------------------------|
|                                    | Employees     | Rank | Percentage<br>of Total<br>Employment | Employees     | Rank | Percentage<br>of Total<br>Employment |
| Garland ISD                        | 7,255         | 1    | 51.10%                               | 7,514         | 1    | 46.82%                               |
| City of Garland                    | 2,124         | 2    | 14.96%                               | 2,000         | 2    | 12.46%                               |
| Kraft Heinz Company                | 1,039         | 3    | 7.32%                                |               |      |                                      |
| Baylor Scott & White - Lake Pointe | 796           | 4    | 5.61%                                |               |      |                                      |
| Wal-Mart Super Centers             | 642           | 5    | 4.52%                                | 1,500         | 4    | 9.35%                                |
| City of Rowlett                    | 637           | 6    | 4.49%                                | 362           | 10   | 2.26%                                |
| US Food Service                    | 520           | 7    | 3.66%                                | 520           | 6    | 3.24%                                |
| Epiroc Drilling Solutions          | 460           | 8    | 3.24%                                |               |      |                                      |
| Anderson Windows                   | 425           | 9    | 2.99%                                | 400           | 9    | 2.49%                                |
| Hatco (Resistor)                   | 300           | 10   | 2.11%                                | 401           | 8    | 2.50%                                |
| Raytheon                           |               |      |                                      | 1,700         | 3    | 10.59%                               |
| Baylor Medical Center Garland      |               |      |                                      | 1,185         | 5    | 7.38%                                |
| APEX Tool Group                    |               |      |                                      | 467           | 7    | 2.91%                                |
| <b>Total</b>                       | <b>14,198</b> |      | <b>100.00%</b>                       | <b>16,049</b> |      | <b>100.00%</b>                       |

Source: 2016 Information comes from the Garland ISD Comprehensive Annual Financial Report (CAFR)

2025 Information comes from Garland ISD, City of Rowlett 9/30/2024 ACFR and City of Garland 9/30/2024 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)**

**Exhibit S-18**

**Page 1 of 2**

| POSITION                                     | 2016           | 2017           | 2018           | 2019           | 2020           |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Teachers</b>                              | 3,664.0        | 3,648.3        | 3,643.9        | 3,668.2        | 3,594.1        |
| <b>Professional Support:</b>                 |                |                |                |                |                |
| Athletic Trainer                             | 8.2            | 7.2            | 9.1            | 7.5            | 7.3            |
| Audiologist                                  | 2.0            | 2.0            | 2.0            | 2.0            | 2.0            |
| Campus Professional Personnel                | 26.0           | 24.6           | 28.7           | 32.0           | 33.0           |
| Counselor                                    | 139.3          | 140.6          | 144.5          | 144.5          | 154.5          |
| Department Head                              | -              | -              | 1.0            | -              | -              |
| Educational Diagnostician                    | 56.8           | 54.2           | 56.8           | 56.8           | 54.2           |
| Librarian                                    | 74.8           | 69.0           | 74.9           | 76.0           | 75.1           |
| LSSP/Psychologist                            | 9.0            | 9.0            | 8.9            | 9.0            | 9.0            |
| Musical Therapist                            | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| Non-Campus Professional Personnel            | 197.5          | 207.1          | 209.2          | 212.0          | 222.5          |
| Occupational Therapist                       | 10.0           | 10.0           | 10.0           | 11.0           | 10.0           |
| Orientation/Mobility Instructor              | 2.0            | 2.0            | 2.0            | 2.4            | 2.2            |
| Physical Therapist                           | 6.0            | 6.0            | 6.0            | 6.0            | 6.0            |
| School Nurse                                 | 85.0           | 84.0           | 84.2           | 85.0           | 83.3           |
| Social Worker                                | 7.0            | 7.0            | 7.0            | 7.0            | 3.0            |
| Speech Therapist/Speech-Language Pathologist | 56.1           | 56.1           | 55.2           | 56.0           | 53.2           |
| Teacher Facilitator                          | 117            | 127            | 136            | 142            | 134            |
| Visiting Teacher                             | 3.0            | 2.0            | 1.0            | 1.0            | 1.0            |
| <b>Total Professional Support</b>            | <b>801.0</b>   | <b>808.9</b>   | <b>837.6</b>   | <b>850.9</b>   | <b>851.7</b>   |
| <b>Campus Administration:</b>                |                |                |                |                |                |
| Assistant Principal                          | 116.0          | 112.9          | 117.3          | 117.6          | 115.5          |
| Principal                                    | 70.1           | 71.2           | 73.0           | 72.8           | 73.6           |
| Register                                     | 2.0            | 2.0            | -              | -              | 2.0            |
| <b>Campus Administration Totals</b>          | <b>188.1</b>   | <b>186.1</b>   | <b>190.3</b>   | <b>190.4</b>   | <b>191.1</b>   |
| <b>Central Administration:</b>               |                |                |                |                |                |
| Assistant/ Deputy Supt                       | 5.0            | 3.0            | 2.0            | 3.0            | 3.0            |
| Instructional Officer                        | -              | -              | -              | -              | -              |
| District Instructional Program Director      | 16.0           | 13.0           | 16.0           | 14.0           | 12.0           |
| Superintendent                               | 1.0            | 3.0            | 2.0            | 3.0            | 3.0            |
| Teacher Supervisor                           | 26.8           | 22.0           | 22.0           | 22.0           | 21.0           |
| Athletic Director                            | 2.0            | 1.0            | 1.0            | -              | -              |
| Business Manager                             | 1.0            | -              | 0.5            | 1.0            | 1.0            |
| Tax Assessor and/or Collector                | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| Director of HR                               | 4.0            | 3.0            | 4.0            | 3.0            | 3.0            |
| <b>Central Administration Totals</b>         | <b>56.8</b>    | <b>46.0</b>    | <b>48.5</b>    | <b>47.0</b>    | <b>44.0</b>    |
| <b>Educational Aides:</b>                    |                |                |                |                |                |
| Aides  | 538.1          | 552.4          | 554.4          | 571.8          | 553.8          |
| <b>Educational Aides Totals</b>              | <b>538.1</b>   | <b>552.4</b>   | <b>554.4</b>   | <b>571.8</b>   | <b>553.8</b>   |
| <b>Auxiliary Support</b>                     | <b>2,044.7</b> | <b>1,997.7</b> | <b>1,935.8</b> | <b>1,977.9</b> | <b>1,950.2</b> |
| <b>Total Employees</b>                       | <b>7,292.7</b> | <b>7,239.4</b> | <b>7,210.5</b> | <b>7,306.2</b> | <b>7,184.9</b> |

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)**

**Exhibit S-18**

**Page 2 of 2**

| POSITION                                     | 2021           | 2022           | 2023           | 2024           | 2025           |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Teachers</b>                              | 3,609.3        | 3,448.1        | 3,476.4        | 3,523.5        | 3,402.1        |
| <b>Professional Support:</b>                 |                |                |                |                |                |
| Athletic Trainer                             | 8.0            | 14.0           | 11.0           | 8.9            | 7.3            |
| Audiologist                                  | 2.0            | 2.0            | 2.0            | 2.0            | 2.0            |
| Campus Professional Personnel                | 30.7           | 29.1           | 35.4           | 32.3           | 31.7           |
| Counselor                                    | 159.9          | 157.4          | 155.6          | 159.2          | 158.5          |
| Department Head                              | -              | -              | 1.0            | -              | -              |
| Educational Diagnostician                    | 55.8           | 54.8           | 53.6           | 53.1           | 62.9           |
| Librarian                                    | 75.0           | 67.0           | 68.8           | 67.0           | 62.8           |
| LSSP/Psychologist                            | 9.0            | 8.0            | 6.9            | 7.4            | 7.5            |
| Musical Therapist                            | 1.0            | 1.0            | 1.0            | 1.0            | -              |
| Non-Campus Professional Personnel            | 223.1          | 249.4          | 244.8          | 275.6          | 269.6          |
| Occupational Therapist                       | 11.9           | 12.0           | 12.0           | 12.9           | 13.0           |
| Orientation/Mobility Instructor              | 2.1            | 2.2            | 1.2            | 1.8            | 2.0            |
| Physical Therapist                           | 5.0            | 5.0            | 5.0            | 5.0            | 4.0            |
| School Nurse                                 | 86.3           | 86.9           | 87.9           | 90.3           | 87.3           |
| Social Worker                                | 2.0            | 2.2            | 1.5            | 1.0            | 2.0            |
| Speech Therapist/Speech-Language Pathologist | 55.6           | 51.4           | 53.4           | 55.8           | 50.4           |
| Teacher Facilitator                          | 160            | 129.5          | 178.0          | 182.8          | 173.3          |
| Visiting Teacher                             | 2.0            | 2.0            | 2.0            | 2.0            | -              |
| <b>Total Professional Support</b>            | <b>889.4</b>   | <b>873.9</b>   | <b>921.1</b>   | <b>958.1</b>   | <b>934.3</b>   |
| <b>Campus Administration:</b>                |                |                |                |                |                |
| Assistant Principal                          | 115.4          | 115.6          | 117.2          | 117.6          | 121.4          |
| Principal                                    | 70.3           | 71.0           | 71.0           | 72.0           | 66.9           |
| Register                                     | 2.0            | -              | -              | -              | -              |
| <b>Campus Administration Totals</b>          | <b>187.7</b>   | <b>186.6</b>   | <b>188.2</b>   | <b>189.6</b>   | <b>188.3</b>   |
| <b>Central Administration:</b>               |                |                |                |                |                |
| Assistant/ Deputy Supt                       | 4.9            | 4.0            | 4.0            | 4.0            | 5.0            |
| Instructional Officer                        | -              | -              | 18.0           | 34.5           | 22.4           |
| District Instructional Program Director      | 12.5           | 10.0           | 10.1           | 11.1           | 14.3           |
| Superintendent                               | 1.0            | 2.0            | 3.0            | 3.0            | 1.0            |
| Teacher Supervisor                           | 22.4           | 22.0           | 23.5           | 21.6           | 22.0           |
| 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            | 4.0            | 5.0            |
| <b>Central Administration Totals</b>         | <b>45.8</b>    | <b>43.5</b>    | <b>63.6</b>    | <b>80.2</b>    | <b>71.7</b>    |
| <b>Educational Aides:</b>                    |                |                |                |                |                |
| Aides  | 569.9          | 577.8          | 629.7          | 672.9          | 676.5          |
| <b>Educational Aides Totals</b>              | <b>569.9</b>   | <b>577.8</b>   | <b>629.7</b>   | <b>672.9</b>   | <b>676.5</b>   |
| <b>Auxiliary Support</b>                     | <b>1,920.9</b> | <b>1,857.0</b> | <b>1,894.3</b> | <b>1,929.0</b> | <b>2,037.0</b> |
| <b>Total Employees</b>                       | <b>7,223.0</b> | <b>6,986.9</b> | <b>7,173.3</b> | <b>7,353.3</b> | <b>7,309.9</b> |

Source: District records for the fall PEIMS submission



**GARLAND INDEPENDENT SCHOOL DISTRICT***Exhibit S-19***OPERATING STATISTICS****LAST TEN FISCAL YEARS****(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Enrollment</b> | <b>Operating<br/>Expenditures <sup>(1)</sup></b> | <b>Cost<br/>Per<br/>Student</b> | <b>Percentage<br/>Change</b> | <b>Teaching<br/>Staff</b> | <b>Student to<br/>Teacher<br/>Ratio</b> | <b>Percentage of<br/>Students in<br/>Free/Reduced<br/>Lunch Program</b> |
|------------------------|-------------------|--|---------------------------------|------------------------------|---------------------------|---|---|
| 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%   |
| 2025                   | 51,021            | 576,052,304                                      | 11,290                          | 3.60%                        | 3,402                     | 15.0                                    | 70.9%   |

Source: District records

Note:

<sup>(1)</sup> Operating expenditures represent general fund only.

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

**Exhibit S-20**  
**Page 1 of 2**

| <b>POSITION</b>                        | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Teachers By Highest Degree Held</b> |             |             |             |             |             |
| No Degree                              | 0.4%        | 0.6%        | 0.8%        | 0.8%        | 0.7%        |
| Bachelors                              | 69.5        | 69.2        | 68.9        | 67.6        | 66.7        |
| Masters                                | 29.3        | 29.4        | 29.4        | 30.6        | 31.6        |
| Doctorate                              | 0.8         | 1.1         | 1.1         | 1.1         | 1.0         |
| <b>Teachers By Years of Experience</b> |             |             |             |             |             |
| Beginning Teachers                     | 5.3         | 4.9         | 5.1         | 4.5         | 4.1         |
| 1-5 Years of Experience                | 27.2        | 28.3        | 29.6        | 29.2        | 27.2        |
| 6-10 Years of Experience               | 23.1        | 21.4        | 20.1        | 19.9        | 21.2        |
| 11-20 Years of Experience              | 30.2        | 30.7        | 31.4        | 32.3        | 32.9        |
| Over 20 Years of Experience            | 14.2        | 14.7        | 13.8        | 14.2        | 14.6        |
| <b>Average Salaries by Experience</b>  |             |             |             |             |             |
| Beginning Teachers                     | \$ 50,862   | \$ 52,334   | \$ 52,304   | \$ 54,248   | \$ 54,569   |
| 1-5 Years of Experience                | 52,115      | 53,263      | 54,149      | 54,851      | 56,593      |
| 6-10 Years of Experience               | 53,299      | 54,415      | 55,548      | 56,337      | 58,211      |
| 11-20 Years of Experience              | 55,083      | 56,124      | 57,223      | 58,241      | 60,343      |
| Over 20 Years of Experience            | 61,984      | 62,358      | 63,055      | 63,806      | 65,504      |
| <b>Student Teacher Ratio</b>           | 15.7        | 15.6        | 15.5        | 15.3        | 15.5        |

Source: District records for the fall PEIMS submission

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

**Exhibit S-20**  
**Page 2 of 2**

| <b>POSITION</b>                        | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Teachers By Highest Degree Held</b> |             |             |             |             |             |
| No Degree                              | 0.8%        | 1.4%        | 0.6%        | 0.9%        | 2.1%        |
| Bachelors                              | 66.8        | 67.4        | 69.9        | 69.6        | 68.7        |
| Masters                                | 31.4        | 30.1        | 28.2        | 28.0        | 27.6        |
| Doctorate                              | 1.1         | 1.2         | 1.3         | 1.5         | 1.6         |
| <b>Teachers By Years of Experience</b> |             |             |             |             |             |
| Beginning Teachers                     | 5.3         | 5.9         | 13.8        | 8.7         | 6.6         |
| 1-5 Years of Experience                | 25.7        | 24.9        | 23.1        | 28.4        | 29.7        |
| 6-10 Years of Experience               | 22.3        | 23.3        | 19.9        | 20.0        | 19.1        |
| 11-20 Years of Experience              | 31.8        | 30.8        | 28.2        | 27.4        | 27.5        |
| Over 20 Years of Experience            | 15.0        | 15.1        | 14.9        | 15.5        | 17.1        |
| <b>Average Salaries by Experience</b>  |             |             |             |             |             |
| Beginning Teachers                     | \$ 55,538   | \$ 50,358   | \$ 60,960   | \$ 59,982   | \$ 60,841   |
| 1-5 Years of Experience                | 56,856      | 57,738      | 61,905      | 62,709      | 63,676      |
| 6-10 Years of Experience               | 58,782      | 60,188      | 63,571      | 65,488      | 66,802      |
| 11-20 Years of Experience              | 61,464      | 62,654      | 66,337      | 69,279      | 70,560      |
| Over 20 Years of Experience            | 65,775      | 66,560      | 70,216      | 73,306      | 74,980      |
| <b>Student Teacher Ratio</b>           | 14.9        | 15.6        | 15.2        | 14.7        | 15.0        |

Source: District records for the fall PEIMS submission

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

**Exhibit S-21**

**Page 1 of 2**

|                                     | 2016   | 2017   | 2018   | 2019   | 2020   |
|-------------------------------------|--------|--------|--------|--------|--------|
| <b>Schools</b>                      |        |        |        |        |        |
| <b>Elementary</b>                   |        |        |        |        |        |
| Buildings                           | 47     | 47     | 47     | 47     | 47     |
| Enrollment                          | 25,971 | 25,579 | 24,246 | 23,606 | 23,208 |
| <b>Middle</b>                       |        |        |        |        |        |
| Buildings                           | 12     | 12     | 12     | 12     | 12     |
| Enrollment                          | 12,595 | 12,757 | 12,663 | 12,830 | 12,996 |
| <b>High School</b>                  |        |        |        |        |        |
| Building                            | 7      | 9      | 9      | 9      | 9      |
| Enrollment                          | 17,470 | 17,474 | 17,439 | 17,324 | 17,312 |
| <b>Pre-K</b>                        |        |        |        |        |        |
| Buildings                           | 2      | 2      | 2      | 2      | 2      |
| Enrollment                          | 1,132  | 1,086  | 1,924  | 1,950  | 1,900  |
| <b>Other</b>                        |        |        |        |        |        |
| Buildings                           | 3      | 2      | 2      | 2      | 2      |
| Enrollment                          | 349    | 133    | 199    | 277    | 8,285  |
| <b>Student Services</b>             |        |        |        |        |        |
| Enrollment Center                   | 1      | 1      | 1      | 1      | 1      |
| Transportation                      | 1      | 1      | 1      | 1      | 1      |
| Infant Center                       | 1      | 1      | 1      | 1      | 1      |
| <b>Other</b>                        |        |        |        |        |        |
| 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      |
| <b>Athletics</b>                    |        |        |        |        |        |
| 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)**

**Exhibit S-21**  
**Page 2 of 2**

|                                     | 2021   | 2022   | 2023   | 2024   | 2025   |
|-------------------------------------|--------|--------|--------|--------|--------|
| <b>Schools</b>                      |        |        |        |        |        |
| <b>Elementary</b>                   |        |        |        |        |        |
| Buildings                           | 47     | 47     | 47     | 47     | 43     |
| Enrollment                          | 22,062 | 21,843 | 21,642 | 21,232 | 21,049 |
| <b>Middle</b>                       |        |        |        |        |        |
| Buildings                           | 12     | 12     | 12     | 12     | 12     |
| Enrollment                          | 12,766 | 12,141 | 11,343 | 11,145 | 10,985 |
| <b>High School</b>                  |        |        |        |        |        |
| Building                            | 9      | 9      | 9      | 9      | 9      |
| Enrollment                          | 17,210 | 17,325 | 17,375 | 16,762 | 16,451 |
| <b>Pre-K</b>                        |        |        |        |        |        |
| Buildings                           | 2      | 2      | 2      | 2      | 2      |
| Enrollment                          | 1,664  | 2,093  | 2,107  | 2,211  | 2,240  |
| <b>Other</b>                        |        |        |        |        |        |
| Buildings                           | 2      | 2      | 2      | 2      | 2      |
| Enrollment                          | 219    | 272    | 300    | 309    | 296    |
| <b>Student Services</b>             |        |        |        |        |        |
| Enrollment Center                   | 1      | 1      | 1      | 1      | 1      |
| Transportation                      | 1      | 1      | 1      | 1      | 1      |
| Infant Center                       | 1      | 1      | 1      | 1      | 1      |
| <b>Other</b>                        |        |        |        |        |        |
| 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      |
| <b>Athletics</b>                    |        |        |        |        |        |
| 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, 2025**

**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?  | No     |
|     | (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 <b>to not have made</b> 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. |        |
|     | 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.  |        |
| 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).



***GOVERNMENT AUDITING STANDARDS 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, 2025, 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 18, 2025.

**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 18, 2025

**GARLAND INDEPENDENT SCHOOL DISTRICT**

***SCHEDULE OF FINDINGS AND RESPONSES***

***For the Year Ended June 30, 2025***

**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            |

**II. Financial Statement Findings**

None





**GARLAND INDEPENDENT  
SCHOOL DISTRICT**

**FEDERAL SINGLE AUDIT REPORT**

**For the Year Ended  
June 30, 2025**



# **GARLAND INDEPENDENT SCHOOL DISTRICT**

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## 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 Federal Single Audit Report of the Garland Independent School District for the year ended June 30, 2025, was reviewed and approved at a meeting of the Board of Trustees of Garland Independent School District on January 13, 2026.

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

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

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 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 Major Federal 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, 2025. 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, 2025.

***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.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 18, 2025 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Dallas, Texas  
January 13, 2026

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2025**

**I. Summary of Auditors' Results**

**Financial Statements**

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|  |               |
|--|---------------|
| 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**

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|   |               |
|---|---------------|
| 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:**

| <b><u>Name of Federal Program or Cluster</u></b>                       | <b><u>Assistance Listing Number (ALN)</u></b> |
|--|---|
| <b>US Department of Education</b>                                      |   |
| <i>Special Education Cluster</i>                                       | 84.027, 84.173                                |
| <i>ESEA Title I Part A - Improving Basic Programs</i>                  | 84.010A                                       |
| <i>ESEA Title III, Part A, ELA</i>                                     | 84.365A                                       |
| Dollar Threshold Considered Between Type A and Type B Federal Programs | \$2,312,708                                   |
| Auditee qualified as low risk auditee?                                 | Yes   |



**GARLAND INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended June 30, 2025***

**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, 2025**

**Exhibit K-1**  
**Page 1 of 2**

| (1)   | (2)                                      | (2A)   | (3)                      |
|---|--|--|--------------------------|
| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                          | Assistance<br>Listing<br>Number<br>(ALN) | Pass-Through<br>Entity<br>Identifying Number | Federal<br>Expenditures  |
| <b>US Department of Education</b>   |  |  |                          |
| <b>Passed Through State Department of Education:</b>                                |  |  |                          |
| <i>Texas Education for Homeless Children &amp; Youth</i>                            | 84.196A                                  | 244600057110040                              | \$ 67,944                |
| <i>Total ALN 84.196</i>   |  |  | <u>67,944</u>            |
| <i>ESEA Title I Part A - Improving Basic Programs</i>                               | 84.010A                                  | 24610101057909                               | 3,038,336                |
| <i>ESEA Title I Part A - Improving Basic Programs</i>                               | 84.010A                                  | 25610101057909                               | 13,897,795               |
| <i>2022-2024 School Action Fund - Planning</i>                                      | 84.010A                                  | 236101627110010                              | 52,512                   |
| <i>Total ALN 84.010</i>   |  |  | <u>16,988,643</u>        |
| <i>IDEA - Part B, Formula</i>   | 84.027A                                  | 246600010579096600                           | 272,244                  |
| <i>IDEA - Part B, Formula</i>   | 84.027A                                  | 256600010579096600                           | 11,313,665               |
| <i>IDEA - Part B, Preschool</i>   | 84.173A                                  | 246610010579096610                           | 3,931                    |
| <i>IDEA - Part B, Preschool</i>   | 84.173A                                  | 256610010579096610                           | 227,351                  |
| <i>High Cost Fund</i>   | 84.027A                                  | 66002506                                     | 217,832                  |
| <i>Empowering ECSE Educators to Improve Students Outcomes Grant</i>                 | 84.173A                                  | 246610047110001                              | 23,797                   |
| <i>Total Special Education Cluster (ALN 84.027, 84.173)</i>                         |  |  | <u>12,058,820</u>        |
| <i>Perkins V: Strengthening Career and Technical Education for the 21st Century</i> | 84.048A                                  | 24420006057909                               | 11,194                   |
| <i>Perkins V: Strengthening Career and Technical Education for the 21st Century</i> | 84.048A                                  | 25420006057909                               | 581,856                  |
| <i>Total ALN 84.048</i>   |  |  | <u>593,050</u>           |
| <i>ESEA Title III, Part A, ELA</i>  | 84.365A                                  | 24671001057909                               | 33,861                   |
| <i>ESEA Title III, Part A, ELA</i>  | 84.365A                                  | 25671001057909                               | 1,907,323                |
| <i>Total ALN 84.365</i>   |  |  | <u>1,941,184</u>         |
| <i>ESEA Title II, Part A, Supporting Effective Instruction</i>                      | 84.367A                                  | 24694501057909                               | 154,814                  |
| <i>ESEA Title II, Part A, Supporting Effective Instruction</i>                      | 84.367A                                  | 25694501057909                               | 1,797,892                |
| <i>Total ALN 84.367</i>   |  |  | <u>1,952,706</u>         |
| <i>ESEA Title IV, Part A, Subpart 1</i>   | 84.424A                                  | 24680101057909                               | 336,981                  |
| <i>ESEA Title IV, Part A, Subpart 1</i>   | 84.424A                                  | 25680101057909                               | 712,986                  |
| <i>Total ALN 84.424</i>   |  |  | <u>1,049,967</u>         |
| <i>TCLAS - ESSER III - COVID-19</i>   | 84.425U                                  | 21528042057909                               | 38,552                   |
| <i>ARP ESSER III - COVID-19</i>   | 84.425U                                  | 21528001057909                               | 6,280,994                |
| <i>TCLAS - High-Quality After-School Grant - COVID-19</i>                           | 84.425U                                  | 215280587110058                              | 23,455                   |
| <i>ARP Homeless I- TECHY Supplemental - COVID-19</i>                                | 84.425W                                  | 215330017110033                              | 82,418                   |
| <i>Total ALN 84.425</i>   |  |  | <u>6,425,419</u>         |
| <i>Summer School LEP</i>  | 84.369A                                  | 69552002                                     | 55,903                   |
| <b>Passed Through Dallas College:</b>   |  |  |                          |
| <i>Teacher Quality Partnership (TQP) Grant Program</i>                              | 84.336S                                  | RMV3LXEM29P3                                 | 155,000                  |
| <b>Total US Department of Education</b>   |  |  | <u><b>41,288,636</b></u> |

**GARLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2025**

**Exhibit K-1**

**Page 2 of 2**

| (1)<br>Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | (2)<br>Assistance<br>Listing<br>Number<br>(ALN) | (2A)<br>Pass-Through<br>Entity<br>Identifying Number | (3)<br>Federal<br>Expenditures |
|---|---|--|--------------------------------|
| <b>US Department of Health and Human Services</b>                 |   |  |                                |
| <b>Passed Through Texas Health and Human Services Commission:</b> |   |  |                                |
| <i>Medicaid Administrative Claiming</i>                           | 93.778  | HHS000537900274                                      | \$ 290,261                     |
| <i>Total Medicaid Cluster (ALN 93.778)</i>                        |   |  | <u>290,261</u>                 |
| <b>Total US Department of Health and Human Services</b>           |   |  | <u><b>290,261</b></u>          |
| <b>US Department of Agriculture</b>                               |   |  |                                |
| <b>Passed Through State Department of Education:</b>              |   |  |                                |
| <i>School Breakfast Program</i>                                   | 10.553  | 71402501   | 8,037,240                      |
| <i>National School Lunch Program</i>                              | 10.555  | 71302501   | 24,235,499                     |
| <b>Passed Through State Department of Agriculture:</b>            |   |  |                                |
| <i>USDA Donated Commodities - Non-Cash Assistance</i>             | 10.555  | NT4XL1YGLGC5   | 2,692,459                      |
| <i>Summer Food Service Program</i>                                | 10.559  | NT4XL1YGLGC5   | <u>222,457</u>                 |
| <i>Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559)</i> |   |  | <u>35,187,655</u>              |
| <i>Local Food for Schools Cooperative</i>                         | 10.185  | NT4XL1YGLGC5   | 247,438                        |
| <i>Child and Adult Care Food Program</i>                          | 10.558  | NT4XL1YGLGC5   | <u>76,274</u>                  |
| <b>Total US Department of Agriculture</b>                         |   |  | <u><b>35,511,367</b></u>       |
| <b>Total Expenditures of Federal Awards</b>                       |   |  | <u><b>\$ 77,090,264</b></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, 2025, 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:

|  |                             |
|--|-----------------------------|
| <b>Total Expenditures of Federal Awards per Exhibit K- 1</b> | \$ 77,090,264               |
| School Health and Related Services (SHARS)                   | 4,217,291                   |
| JROTC  | 105,488                     |
| E-Rate   | 9,855,095                   |
| Qualified School Construction Bonds Interest Subsidy         | 239,323                     |
| Miscellaneous  | 2,919                       |
| <b>Total Federal Revenues per Exhibit C-2</b>                | <u><u>\$ 91,510,380</u></u> |

## **GARLAND INDEPENDENT SCHOOL DISTRICT**

### ***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

***For the Year Ended June 30, 2025***

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, 2025***

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