

**Comprehensive
Annual Financial Report**

**For the Fiscal Year Ended
August 31, 2014**

**GALENA PARK INDEPENDENT SCHOOL
DISTRICT**

14705 Woodforest Blvd., Houston, Texas 77015

Prepared By the Business Department:

**Sonya George, CPA
Chief Financial Officer**

**Yvonne Johnson, MBA, RTSBA
Executive Director for Accounting Services**

**Lee Davidson, CPA
Executive Director for Budget and Financial Services**

GALENA PARK INDEPENDENT SCHOOL DISTRICT
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INTRODUCTORY SECTION

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
Principal Officials and Advisors

Board of Trustees

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Length of Service</u>	<u>Occupation</u>
Wanda Heath Johnson	President	2015	6 years	Teacher
Joe Stephens	Vice President	2015	6 years	Insurance Agency Owner
Wilfred J. Broussard, Jr.	Secretary	2017	7 years	Real Estate Broker
Jeff Miller	Board Member	2016	19 years	Independent Insurance Agent
Dawn Thompson Fisher	Board Member	2017	13 years	Legal Assistant
Ramon Garza	Board Member	2016	5 years	Insurance Agent
Minnie Rivera	Board Member	2015	4 years	Office Manager

Administrative Officials

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Angi Williams, Ed.D.	Superintendent	29 years
Orphalinda Bazan	Assistant to Superintendent	16 years
Kenneth Wallace	Associate Superintendent for Educational Support and School Administration	14 years
Crystal Murray	Assistant Superintendent for Communication Services	24 years
Elizabeth Lalor	Assistant Superintendent for Educational and Academic Support	23 years
Arnold Ramirez	Assistant Superintendent for Human Resources Services	16 years
John Moore	Assistant Superintendent for Operations	23 years
Sonya George, CPA	Chief Financial Officer	3 years
Yvonne Johnson, MBA, RTSBA	Executive Director for Accounting Services	7 years
Lee Davidson, CPA	Executive Director for Budget and Financial Services	1 year

Consultants and Advisors

Bond Counsel	Andrews Kurth LLP, Houston, Texas
Financial Advisor	Southwest Securities, Inc., Dallas, Texas
Independent Auditors	Whitley Penn, LLP, Houston, Texas
Chief Appraiser	Harris County Appraisal District

CERTIFICATE OF BOARD

Galena Park Independent School District
Name of School District

Harris
County

101-910
Co.- Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2014, at a meeting of the board of trustees of such school district on January 14, 2015.

Wanda Heath Johnson

President of the Board

Welf J. Brown

Secretary of the Board



GALENA PARK INDEPENDENT SCHOOL DISTRICT

A Texas Recognized School District

14705 Woodforest Blvd.

Houston, TX 77015

832-386-1204

December 17, 2014

To the Board of Trustees and Taxpayers of the Galena Park Independent School District:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Galena Park Independent School District (the "District") for the fiscal year ended August 31, 2014.

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. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. The District's financial statements have been audited by Whitley Penn, LLP, CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2014 are free of material misstatement. The independent audit involved 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. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the District's financial statements for the period ended August 31, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

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

Profile of the District

The Galena Park Independent School District encompasses 33 square miles and is located in southeastern Harris County, Texas. Interstate Highway 10 bisects the District. While a small portion of the District is located inside the city limits of Houston, it also includes portions of the incorporated cities of Galena Park, Jacinto City, and the unincorporated communities of Greens Bayou, Woodland Acres, and the Cloverleaf Addition. The District is not included in any other governmental "reporting entity" since the Board of Trustees is elected by the public and has decision-making authority. Residents of the District elect a seven-member Board of Trustees. The respective Trustees serve overlapping three-year terms. There are no component units included in the reporting entity.

The purpose and responsibility of the District is to provide a thorough and efficient educational system for the children, pre-kindergarten through grade 12, enrolled in public schools within its boundaries, whereby each child has access to programs and services that are appropriate to his or her educational needs. In addition to its regular educational program, the District offers comprehensive programs in the areas of career and technology education, special education, bilingual education, compensatory education and gifted and talented education. The District is accredited by the Texas Education Agency.

The District's 15 elementary schools, 5 middle schools, 2 high schools, and 1 alternative high school campuses are well-known for innovative programs and academic accomplishments. The District educates children from diverse backgrounds. The student body reflects the cultural diversity of Texas. Of the approximately 22,500 students enrolled, 76% are Hispanic, 17% are African American, 5% are White, and 2% identify themselves as Asian/Pacific Islander or of more than one ethnicity.

The annual budget serves as the foundation for the District's financial planning and control. The budget development process begins in January with the Superintendent and administrative leadership team determining the budget parameters that will be used as a guide for the resource allocation process. All of the District's budget managers are required to submit requests for appropriations based on these parameters. Budget requests are forwarded to the Business Services Department for compilation and summarization. The Business Services Department personnel develop the draft budget and prioritize budget requests and potential budget reductions based on the principles established in the Superintendent's budget parameters. The preliminary budget is then presented and discussed with the Board of Trustees. The proposed budget must be prepared by August 20th for the September 1st fiscal year start date. The Board President must call a Board meeting for the purpose of discussing and adopting the budget and tax rate. A public notice of this meeting is required to be published at least 10 days, but not more than 30 days, prior to the public meeting.

The District maintains budgetary controls throughout its financial systems. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official appropriations budget at the functional expenditure level for the general fund, debt service fund and the food service program included in the special revenue fund. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are treated as Assigned fund balance and are recorded as expenditures in the subsequent year upon receipt of the goods and services.

Factors Affecting Financial Condition

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

Local Economy. The District is located in the heart of the Houston Ship Channel industrial area, and the majority of the labor force is employed at nearby chemical plants and oil refineries. The Houston Ship Channel is located just south of the District boundary, and many residents are employed in the industrial area surrounding the Channel. The Port of Houston is one of the largest ports in the world in terms of foreign waterborne tonnage and total tonnage. Each year, more than 8,000 vessels and 200,000 barges ship goods through the port, and more than 100 steamship lines offer service, linking Houston with 1,053 ports around the world. A vital element in the infrastructure of Houston and the region, the port maintains a high level of commercial prominence that solidifies its status as a major gateway to global commerce.

A cornerstone of the area economy, the Port of Houston is a 25-mile-long complex of diversified public and private facilities designed for handling general cargo, containers, grain and other dry bulk materials, project and heavy-lift cargo, and other types of cargo. Overall, more than 1,026,000 jobs throughout Texas are directly and indirectly related to the diverse global trade and commerce activities at the port. In addition, the port generates nearly \$178.5 billion of economic activity in Texas each year. Additionally, more than \$4.5 billion in state and local tax revenues are generated by business activities related to the port.

Economic Outlook. Houston's energy, healthcare, transportation and distribution sectors have supported continuous tax base growth. The District's tax base growth occurring during fiscal year ended 2014 and expected to continue at a slower pace in fiscal year 2015 can be directly attributed to the petrochemical industry. Shale gas exploration has created a highly affordable supply of natural gas. Natural gas is driving significant capital investments in the U.S. manufacturing industry. Numerous petrochemical expansion projects have been announced or are underway in the Houston Ship Channel area. Construction material needs supplied by area businesses and the creation of thousands of temporary and hundreds of permanent jobs to construct and maintain the new facilities will have a positive financial impact on the region.

Access. The District is connected to Downtown Houston via Interstate 10 and is also linked to the entire Houston metropolitan area via the Sam Houston Toll Road. Both of these thoroughfares pass through the center of the District. The District's proximity to Houston provides the area with access to one of the nation's leading centers for medical education and research, many colleges and universities, a dynamic cultural arts community, excellent recreational opportunities, and a national center of commerce, world trade and corporate management.

Relevant Financial Policies

Budget. Budget planning is an integral part of overall program planning so that the budget effectively reflects the District's programs and activities, and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered. Budget planning and evaluation are continuous processes and are a part of each month's activities.

Fund Balance. Recognizing fund balance as key in maintaining a strong financial position, the Board policy regarding fund balance stipulates a goal of maintaining an adequate fund balance. The level of adequacy for the general fund unassigned fund balance is defined as 12% of the current budget, while the debt service fund is defined as 15% of the current year debt service requirements.

Financial Planning. The District is subject to revenue limitations as outlined in the Texas Education Code. The revenues are derived from a target revenue formula based primarily on student attendance,

adjusted for funding “weights” associated with the students’ educational settings. Under the target revenue system, the District’s maintenance and operations revenues from property taxes and state aid are capped. As collections from property taxes increase, state aid is reduced by a similar amount. On an ongoing basis, the District adjusts future projections as new data become available. The District maintains a Five-year Technology plan and a Long- range facilities plan.

Awards and Acknowledgements

The TEA has awarded the District a rating of “Superior Achievement” for the year ended August 31, 2013. This is the eleventh year of the State’s financial accountability rating system for school districts (School FIRST). The rating is based upon an analysis of staff and student data reported for the 2012-13 school year and budgetary and actual financial data for the fiscal year ended August 31, 2013.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the year ended August 31, 2013.

In order to be awarded the certificates, a governmental unit must publish an efficiently organized comprehensive annual financial report, the contents of which must conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The District has received the ASBO award for three consecutive years and the GFOA award for two years. The certificates are valid for a period of one year only. We believe that our current CAFR continues to meet the requirements of both certificate programs, and it will be submitted accordingly to ASBO and GFOA to determine its eligibility for a 2014 certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the District’s finances. Finally, we would like to thank the residents of the District for their support of and belief in our public school system, and the teachers and campus teams who provide the quality education for which our District is known.

Respectfully submitted,

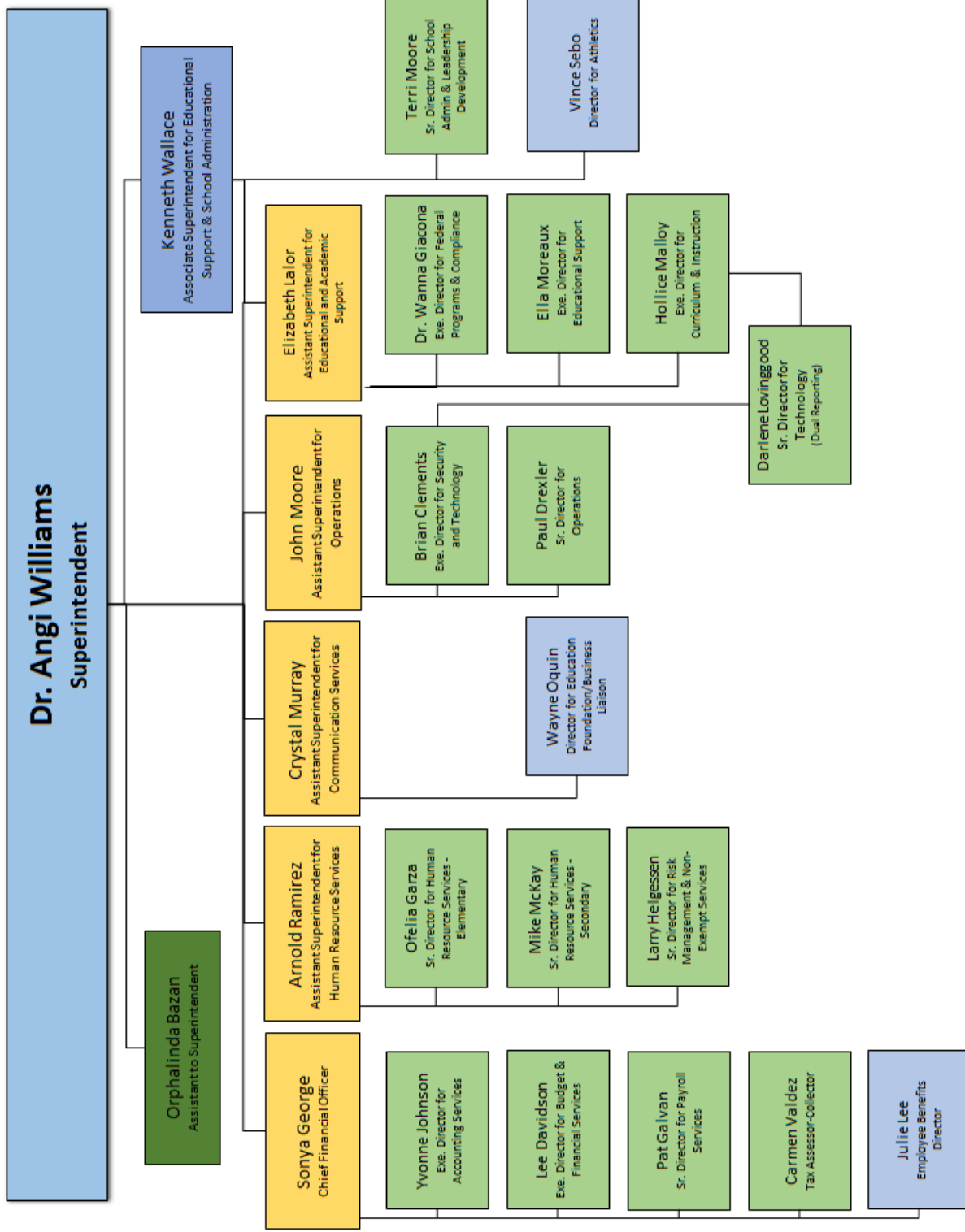


Angi Williams, Ed.D
Superintendent of Schools



Sonya George
Chief Financial Officer

GALENA PARK INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Galena Park
Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2013

Executive Director/CEO

GALENA PARK INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART

Association of School Business Officials International



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

Galena Park Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Galena Park Independent School District
Galena Park, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Galena Park Independent School District (the "District") as of and for the year ended August 31, 2014, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of August 31, 2014. In addition, the District changed its method for accounting for prepaid items. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 15 and the Budgetary Comparison Schedule on page pages 51 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information (as described in the accompanying table of contents) and the other information, such as the introductory and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information (as described in the accompanying table of contents) 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the other supplementary information (as described in the accompanying table of contents) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Trustees
Galena Park Independent School District

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014, 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 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 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, slightly slanted style.

Houston, Texas
December 17, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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GALENA PARK INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Galena Park Independent School District (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 August 31, 2014.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year by \$121,218,912 (net position). Of this amount, \$57,092,596 (unrestricted net position) may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position increased by \$21,047,168.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$116,769,663, an increase of \$22,795,662 in comparison with the prior year. The increase in governmental fund balances was primarily due to the increase in the general fund and debt service fund balances of \$22,534,470 and \$1,101,333, respectively.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$37,350,825, or 21 percent of total general fund expenditures.
- The District's total bonded debt decreased by \$10,528,062 (5 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and 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, deferred outflows of resources and liabilities, with the difference reported as *net position*. 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 showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Facilities Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Bond Issuance Costs and Fees, Facilities Acquisition and Construction, and Payments to Appraisal Districts.

The government-wide financial statements can be found on pages 18 through 19 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District'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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains twenty-two individual governmental 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 and debt service fund, all of which are considered to be major funds. Data from the other twenty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and Child Nutrition special revenue fund.

The basic governmental fund financial statements can be found on pages 20 through 23 of this report.

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

Proprietary Fund

The District maintains an internal service fund, one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses an internal service fund to account for its print shop copier services. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund financial statements provide separate information for the print shop.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report.

Fiduciary Fund

The fiduciary funds are used to account for resources held for the benefit of students. The fiduciary fund is *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The Agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation. In addition, the District's private - purpose trust fund reports a trust arrangement under which principal and income benefit individuals.

The basic fiduciary fund financial statement can be found on pages 27 through 28 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full 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 through 47 of this report.

Required Supplementary 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. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information can be found on pages 50 through 51 of this report.

Other Information

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information and can be found on pages 56 through 70 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by at the close of the most recent fiscal year.

The District's investment in capital assets (e.g., capitalized bond and debt issuance costs, land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets totaled \$50,303,111. The District uses these 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.

Galena Park Independent School District's Net Position

	2014	2013, Restated
Current and other assets	\$ 131,448,731	\$ 107,746,123
Capital assets	250,939,169	259,092,422
Total Assets	<u>382,387,900</u>	<u>366,838,545</u>
Deferred Outflows of Resources		
Deferred Loss on Refunding	2,418,958	2,028,562
Total Deferred Outflows of Resources	<u>2,418,958</u>	<u>2,028,562</u>
Current liabilities	6,700,545	7,617,655
Long term liabilities	256,887,401	264,352,725
Total Liabilities	<u>263,587,946</u>	<u>271,970,380</u>
Net Position:		
Net investment in capital assets	50,303,111	48,447,172
Restricted	13,823,205	14,851,584
Unrestricted	57,092,596	33,597,971
Total Net Position	<u>\$ 121,218,912</u>	<u>\$ 96,896,727</u>

Net position \$13,823,205 is restricted for state, federal and local programs, debt service and campus activities. The remaining balance of *unrestricted net position* (\$57,092,596) may be used to meet the District's ongoing obligations to students and creditors. The District's net position by during the current fiscal year primarily due to the increase in property tax and state aid revenues.

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

Galena Park Independent School District's Changes in Net Position

	2014	2013, Restated
Program Revenues		
Charges for services	\$ 5,106,726	\$ 4,258,050
Operating grants	36,638,833	33,165,174
General Revenues		
Property taxes	101,858,021	96,263,557
State aid	104,724,697	103,793,652
Grants and contributions not restricted	86,213	7,039
Interest earnings	167,415	177,448
Other	266,551	264,545
Total Revenues	<u>248,848,456</u>	<u>237,929,465</u>
Expenses		
Instruction	113,536,472	109,987,706
Instructional resources and media services	2,543,759	2,287,463
Curriculum and instructional staff development	4,785,800	4,482,176
Instructional leadership	5,158,621	4,903,977
School leadership	11,686,374	9,893,329
Guidance, counseling, and evaluation services	5,967,337	5,941,390
Social work services	581,864	468,203
Health services	1,696,559	1,612,708
Student transportation	5,442,835	5,436,683
Food services	13,828,395	13,033,476
Extracurricular activities	4,784,559	4,115,658
General administration	6,990,616	6,412,028
Facilities, maintenance and operations	27,857,900	24,590,808
Security and monitoring services	2,778,838	2,283,366
Data processing services	2,516,556	2,431,715
Community services	1,427,226	1,408,790
Interest on long-term debt	11,978,110	12,742,302
Facilities repairs and maintenance	199,646	298,375
Payments to appraisal districts	764,804	721,839
Total Expenses	<u>224,526,271</u>	<u>213,051,992</u>
Increase (Decrease) in Net Position	24,322,185	24,877,473
Beginning Net Position, as restated	<u>96,896,727</u>	<u>72,019,254</u>
Ending Net Position	<u>\$ 121,218,912</u>	<u>\$ 96,896,727</u>

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

Governmental Activities

Governmental activities the District's net position by . Key elements of this are as follows:

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues totaling (\$141,449,743) represent 57 percent of total revenues and property taxes (\$101,858,021) represent of total revenues. The remaining \$5,540,692 is generated from charges for services, investment earnings, and miscellaneous revenues. Property tax revenues increased by approximately \$5.6 million due to higher appraised tax values. In addition, State aid increased by \$4.8 million.

The primary functional expense of the District is instruction (\$113,536,472), which represents 51 percent of total expenses. Facilities maintenance and operations (\$27,857,900) represents 12 percent of total expenses. Food services (\$13,828,395) represents 6 percent of total expenses. The remaining individual functional categories of expenses are each less than 6 percent of total expenses.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$116,769,663, an increase of \$22,795,662 in comparison with the prior year. The increase in ending governmental fund balances is primarily due to increases in the general fund and debt service fund.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$37,350,825, while total fund balance reached \$100,045,703. As a measure of the general fund's liquidity, it may be useful to compare both unassigned, fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21 percent of total general fund expenditures, while total fund balance represents 57 percent of that same amount.

The increase in the General Fund's fund balance of \$22,534,470 was primarily due to the increase in property taxes and state funding.

The debt service fund has a total fund balance of \$10,043,759, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year of \$1,101,033 was attributable to the issuance of refunding bonds and higher property taxes.

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

Proprietary Fund

The District's proprietary fund financial statement, internal service printing services, provides detail information about the profitability of the Print Shop Fund. At the end of the year, net position was \$96,286, an increase of \$31,367 compared to the prior year. The net change in fund's position is eliminated and allocated to the governmental expenses in the government-wide financial statements.

General Fund Budgetary Highlights

Actual expenditures were \$9.0 million below final budgeted amounts. The positive variance was primarily due to the positive variances in instruction and facilities maintenance and operations of \$3.3 million and \$1.7 million, respectively. To provide further analysis, payroll costs were lower than anticipated which allowed the district to come under budget by approximately \$1.6 million. The District's supplies expenditures were also lower than expected by approximately \$1.3 million.

Resources available were \$4.3 million over the final budgeted amounts. This favorable variance was due to higher actual revenues than final expenditures in local, state and federal revenue categories of \$1.5 million, \$1.2 million and \$1.6 million, respectively. In regards to federal revenues specifically, School Health and Related Services revenue exceeded expected amounts by approximately \$0.8 million. State aid earned was more than budgeted by \$1.0 million. Indirect costs for the Child Nutrition fund in the amount of \$0.5 million also contributed to the positive variance. The review of the final amended budget versus actual for the general fund reflected a positive budget variance in the amount of \$11.5 million, thus eliminating the need to draw upon existing fund balances.

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2014, amounts to \$250,939,169 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$8,153,253. Changes in capital assets are shown below:

Galena Park Independent School District's Capital Assets

	Balance September 1, 2013	Additions	Retirements and Transfers	Balance August 31, 2014
Land	\$ 13,519,235	\$ 31,364	\$ -	\$ 13,550,599
Building and improvements	340,745,985	2,030,601		342,776,586
Furniture and equipment	41,330,892	432,978	(1,506,867)	40,257,003
Vehicles	9,459,724	964,915	(244,097)	10,180,542
	<u>405,055,836</u>	<u>3,459,858</u>	<u>(1,750,964)</u>	<u>406,764,730</u>
Less accumulated depreciation for:				
Buildings and improvements	(114,258,455)	(8,439,560)	-	(122,698,015)
Furniture and equipment	(25,263,225)	(2,486,838)	1,384,486	(26,365,577)
Vehicle	(6,441,734)	(564,332)	244,097	(6,761,969)
	<u>(145,963,414)</u>	<u>(11,490,730)</u>	<u>1,628,583</u>	<u>(155,825,561)</u>
Governmental Capital Assets	<u>\$ 259,092,422</u>	<u>\$ (8,030,872)</u>	<u>\$ (122,381)</u>	<u>\$ 250,939,169</u>

Additional information on the District's capital assets can be found in Note 4 on pages 39 through 40 of the notes to the financial statements.

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

Long-term Liabilities

At the end of the current fiscal year, the District had \$256,887,401 in bonded debt outstanding, a decrease of \$7,465,324 over the previous year. The District's bonds are sold with a "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "A+" and from Moody's Investors Service is "Aa2" for general obligation debt.

Changes to long-term debt, for the year ended August 31, 2014 are as follows:

Galena Park Independent School District's Long-term Liabilities

	Balance September 1 , 2013	Additions	Retirements	Balance August 31, 2014
General obligation bonds	\$ 205,045,213	\$ 8,970,000	\$ (18,766,543)	\$ 195,248,670
Plus amounts for issuance premiums	6,493,751	441,141	(981,787)	5,953,105
Qualified zone academy bonds	3,574,390	-	(731,519)	2,842,871
Accreted interest on premium compound interest bonds	48,670,003	5,413,734	(2,393,457)	51,690,280
Accrued compensated absences	569,368	662,748	(79,641)	1,152,475
	<u>\$ 264,352,725</u>	<u>\$ 15,487,623</u>	<u>\$ (22,952,947)</u>	<u>\$ 256,887,401</u>

Additional information on the District's long-term liabilities can be found in Note 6 on pages 41 through 43 of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Tax Rates

The District's Board of Trustees and Administrators considered a variety of factors when adopting the budget for the 2014-15 fiscal year. Those factors include property values, enrollment trends, state funding, the economy, and legislative mandates. The following assumptions were taken into account when adopting the general operating budget for 2014-15.

- Adoption of an M & O tax rate of \$1.2433 per \$100 of assessed valuation.
- Taxable values used for the 2014-15 budget are expected to increase by 11% from the 2013-14 levels. The budgeted property tax revenues were based on a taxable value of \$6.7 billion with a 100.0% collection rate.
- The district's 2014-15 average daily attendance is estimated at 20,300.

State Funding available for appropriation in the 2014-15 budget increased due to changes in the Foundation School Program funding formulas. The formula changes were included in Senate Bill 1 passed during the recent 83rd Legislative session. The bill reinstated a portion of the state funding for Texas public schools reduced during a prior state legislative session. A portion of the state funding increase for 2014-15 is one time funding related to the establishment of new Teacher Retirement System payroll taxes. In future years, the District will be responsible to fully fund the new tax.

With voter approval from a tax ratification election held in December 2007 the tax rate increased from \$1.1134 to \$1.1834 per \$100 valuation. A second successful tax ratification election in September 2012 increased the tax rate an additional .5999 cents for a total rate of \$1.2433. Both of the successful elections and resulting tax rate increases generate additional property tax revenue and maximize the amount of state aid the district can receive utilizing the current state funding formulas. The additional funds generated from these elections continue to help the district in meeting ongoing financial needs.

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

Amounts available for appropriation in the general fund are \$191.2 million, an increase of \$15.9 million from the previous year. Expenditures are budgeted to increase 7.7% to \$190.2 million. The majority of the increase in budgeted expenditures was to fund a salary increase for teachers and other staff.

All of these factors were considered in preparing the district's budget for the 2014-2015 fiscal year. If these estimates are realized, the District's General Fund fund balance will increase by \$1 million by August 31, 2015.

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BASIC FINANCIAL STATEMENTS

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

August 31, 2014

<u>Data Control Codes</u>		<u>Governmental Activities</u>
Assets		
1110	Cash and cash equivalents	\$ 108,695,814
1225	Property taxes receivables, net	8,337,969
1240	Due from other governments	13,002,623
1267	Due from fiduciary funds	49,223
1290	Other receivables, net	727,041
1300	Inventories	635,561
1490	Other current assets	500
	Capital assets not subject to depreciation:	
1510	Land	13,550,599
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	220,078,571
1531	Vehicles, net	3,418,573
1530	Furniture and equipment, net	13,891,426
1000	Total Assets	<u>382,387,900</u>
Deferred Outflows of Resources		
1700	Deferred loss on refunding	2,418,958
	Total Deferred Outflows of Resources	<u>2,418,958</u>
Liabilities		
2110	Accounts payable	2,683,592
2140	Interest payable	455,731
2150	Payroll deductions and withholdings	831,583
2160	Accrued wages payable	2,585,681
2180	Due to other governments	5,495
2300	Unearned revenue	138,463
	Noncurrent Liabilities:	
2501	Due within one year	13,540,500
2502	Due in more than one year	243,346,901
2000	Total Liabilities	<u>263,587,946</u>
Net Position		
3200	Net investment in capital assets	50,303,111
Restricted for:		
3820	Federal and state programs	18,666
3840	Food service	4,037,135
3850	Debt service	9,767,404
3900	Unrestricted	57,092,596
3000	Total Net Position	<u>\$ 121,218,912</u>

See Notes to the Financial Statements

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit B-1

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2014

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Primary
					Governmental Activities
Governmental activities:					
11	Instruction	\$ 113,536,472	\$ 1,055,658	\$ 15,077,816	\$ (97,402,998)
12	Instructional resources and media services	2,543,759	-	136,750	(2,407,009)
13	Curriculum and instructional staff development	4,785,800	-	2,687,844	(2,097,956)
21	Instructional leadership	5,158,621	-	1,275,797	(3,882,824)
23	School leadership	11,686,374	126,835	654,480	(10,905,059)
31	Guidance, counseling, and evaluation services	5,967,337	-	770,443	(5,196,894)
32	Social work services	581,864	-	136,751	(445,113)
33	Health services	1,696,559	-	1,860,724	164,165
34	Student transportation	5,442,835	-	314,189	(5,128,646)
35	Food services	13,828,395	2,748,933	10,640,800	(438,662)
36	Extracurricular activities	4,784,559	882,036	103,684	(3,798,839)
41	General administration	6,990,616	-	412,729	(6,577,887)
51	Facilities maintenance and operations	27,857,900	293,264	1,703,347	(25,861,289)
52	Security and monitoring services	2,778,838	-	80,714	(2,698,124)
53	Data processing services	2,516,556	-	97,075	(2,419,481)
61	Community services	1,427,226	-	677,713	(749,513)
72	Interest on long-term debt	11,978,110	-	-	(11,978,110)
81	Facilities repairs and maintenance	199,646	-	7,977	(191,669)
99	Payments to Appraisal District	764,804	-	-	(764,804)
TG	Total governmental activities	\$ 224,526,271	\$ 5,106,726	\$ 36,638,833	\$ (182,780,712)

Data Control Codes

General revenues:

Taxes:		
MT	Property taxes, levied for general purposes	\$ 83,738,567
DT	Property taxes, levied for debt service	18,119,454
SF	State-aid formula grants	104,724,697
GC	Grants and contributions not restricted	86,213
IE	Investment earnings	167,415
MI	Miscellaneous	266,551
TR	Total general revenues	207,102,897
CN	Change in net position	24,322,185
NB	Net position - beginning	100,171,744
PA	Prior period adjustments	(3,275,017)
NE	Net position - ending	\$ 121,218,912

See Notes to the Financial Statements

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2014

Data Control Codes	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
1110 Cash and temporary investments	\$ 91,532,916	\$ 9,890,039	\$ 7,155,092	\$ 108,578,047
Receivables:				
1220 Delinquent property taxes receivables	8,266,809	1,500,365	-	9,767,174
1230 Allowance for uncollectible taxes (credit)	(1,227,705)	(201,500)	-	(1,429,205)
1240 Receivables from other governments	11,217,897	132,827	1,651,899	13,002,623
1260 Due from other funds	4,698,686	24,076	906,190	5,628,952
1290 Other receivables	715,871	-	11,170	727,041
1300 Inventories, at cost	307,509	-	328,052	635,561
1490 Other current assets	500	-	-	500
1000 Total Assets	\$ 115,512,483	\$ 11,345,807	\$ 10,052,403	\$ 136,910,693
Liabilities and Fund Balance				
Liabilities:				
2110 Accounts payable	\$ 2,622,766	\$ -	\$ 60,826	\$ 2,683,592
2140 Interest payable				
2150 Payroll deductions and withholdings	831,583	-	-	831,583
2160 Accrued wages payable	2,353,378	-	230,781	2,584,159
2170 Due to other funds	2,606,753	549	2,952,468	5,559,770
2180 Payable to other governments	2,861	2,634	-	5,495
2300 Unearned revenue	10,336	-	128,127	138,463
2000 Total Liabilities	8,427,677	3,183	3,372,202	11,803,062
Deferred Inflows of Resources				
2600 Unavailable revenue - property taxes	7,039,103	1,298,865	-	8,337,968
Total Deferred Inflows of Resources	7,039,103	1,298,865	-	8,337,968
Fund Balance:				
Nonspendable:				
3410 Inventories	307,509	-	328,052	635,561
Restricted				
3450 Grants	-	-	3,711,542	3,711,542
3470 Capital acquisition program	-	-	1,535,331	1,535,331
3480 Debt service	-	10,043,759	-	10,043,759
Committed				
3545 Campus activity	-	-	1,105,276	1,105,276
3590 Assigned	62,387,369	-	-	62,387,369
3600 Unassigned	37,350,825	-	-	37,350,825
3000 Total Fund Balances	100,045,703	10,043,759	6,680,201	116,769,663
4000 Total Liabilities and Fund Balance	\$ 115,512,483	\$ 11,345,807	\$ 10,052,403	\$ 136,910,693

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
August 31, 2014

Exhibit C-2

Data Control Codes		
	Total fund balance, governmental funds	\$ 116,769,663
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
1	Capital assets at historical cost, net of accumulated depreciation, where applicable	250,939,169
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	8,337,968
3	Deferred loss on refunding	2,418,958
	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:	
4	General obligation bonds	(198,091,541)
5	Premiums on issuance	(5,953,105)
6	Accreted interest on premium compound interest bonds	(51,690,280)
7	Accrued compensated absences	(1,152,475)
8	Accrued interest payable	(455,731)
9	Addition of Internal Service fund net position	<u>96,286</u>
19	Total net position - governmental activities	<u><u>\$ 121,218,912</u></u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2014

Exhibit C-3

Data Control Codes		General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
5700	Local, intermediate, and out-of-state	\$ 85,268,539	\$ 18,153,055	\$ 4,123,520	\$ 107,545,114
5800	State program revenues	110,152,379	2,553,951	2,932,348	115,638,678
5900	Federal program revenues	3,153,115	-	22,510,423	25,663,538
5020	Total revenues	<u>198,574,033</u>	<u>20,707,006</u>	<u>29,566,291</u>	<u>248,847,330</u>
Expenditures					
Current:					
0011	Instruction	98,366,382	-	9,869,961	108,236,343
0012	Instructional resources and media services	2,240,835	-	56,531	2,297,366
0013	Curriculum and instructional staff development	2,226,499	-	2,515,376	4,741,875
0021	Instructional leadership	3,974,785	-	1,065,466	5,040,251
0023	School leadership	11,316,964	-	178,630	11,495,594
0031	Guidance, counseling and evaluation services	5,455,701	-	444,440	5,900,141
0032	Social work services	460,278	-	118,255	578,533
0033	Health services	1,528,417	-	125,162	1,653,579
0034	Student transportation	5,630,953	-	74,925	5,705,878
0035	Food services	-	-	13,146,607	13,146,607
0036	Extracurricular activities	3,425,082	-	773,548	4,198,630
0041	General administration	6,693,818	-	130,188	6,824,006
0051	Facilities maintenance and operations	25,294,743	-	1,151,049	26,445,792
0052	Security and monitoring services	2,746,767	-	92,346	2,839,113
0053	Data processing services	2,271,575	-	295	2,271,870
0061	Community services	734,704	-	673,628	1,408,332
Debt service:					
0071	Principal on long-term debt	731,519	9,796,543	-	10,528,062
0072	Interest on long-term debt	62,400	9,809,130	-	9,871,530
0073	Bond issuance costs and fees	2,888	169,710	-	172,598
Capital outlay:					
0081	Facilities acquisition and construction expenditures	288,154	-	6,300	294,454
Intergovernmental:					
0099	Payments to appraisal district	764,804	-	-	764,804
6030	Total Expenditures	<u>174,217,268</u>	<u>19,775,383</u>	<u>30,422,707</u>	<u>224,415,358</u>
1100	Excess (deficiency) of revenues over expenditures	<u>24,356,765</u>	<u>931,623</u>	<u>(856,416)</u>	<u>24,431,972</u>
Other Financing Sources (Uses)					
7911	Refunding bonds issued	-	8,970,000	-	8,970,000
7912	Sale of real or personal property	38,958	-	2,848	41,806
7915	Transfers in	-	-	13,427	13,427
7916	Premium or discount on issuance of bonds	-	986,842	-	986,842
8911	Transfers out	(13,427)	-	-	(13,427)
8949	Payment to bond refunding escrow agent	-	(9,787,132)	-	(9,787,132)
7080	Total other financing sources and uses	<u>25,531</u>	<u>169,710</u>	<u>16,275</u>	<u>211,516</u>
1200	Net change in fund balances	24,382,296	1,101,333	(840,141)	24,643,488
0100	Fund Balance - beginning	77,511,233	8,942,426	7,520,342	93,974,001
1300	Prior period adjustment	(1,847,826)	-	-	(1,847,826)
3000	Fund Balance - ending	<u>\$ 100,045,703</u>	<u>\$ 10,043,759</u>	<u>\$ 6,680,201</u>	<u>\$ 116,769,663</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the Year Ended August 31, 2014

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ 24,643,488
	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 as depreciation expense.	
1	Governmental funds capital outlay	3,459,858
2	Governmental activities depreciation expense	(11,490,730)
3	Governmental funds report the entire sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus the change in net position differs from the change in fund balance by the book value of the assets sold and disposed. The District disposed of certain assets that resulted in a loss.	(122,381)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(40,680)
5	Repayment of bond principal of \$10,528,062 is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. The District also refunded \$8,970,000 in bonds. This payment was made to the bond refunding escrow agent.	19,498,062
6	Proceeds from issuance of refunding bonds is reported as an other financing source (\$8,970,000) in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities. The premium (\$441,141) and deferred loss on refundings (\$771,305) associated with the issuance is treated as a deferred outflow of resources.	(8,594,009)
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
7	Decrease in interest payable not recognized in fund statements	(14,457)
8	Increase in long-term portion of accrued compensated absences	(583,107)
9	Accreted interest on capital appreciation bonds, which includes its related premium of \$545,701	(5,413,734)
10	Amotrization of premiums, deferred loss on refunding	555,051
11	Capital appreciation bonds matured and related accreted interest	2,393,457
12	Internal service funds are used by management to charge the costs of certain activities, such as Copy Center, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds. (see D-2)	<u>31,367</u>
	Change in net position of governmental activities (see B-1)	<u><u>\$ 24,322,185</u></u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

August 31, 2014

<u>Data Control Codes</u>	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Assets	
Current Assets:	
1110 Cash and cash equivalents	\$ 117,767
Total current assets	<u>117,767</u>
Liabilities	
Current Liabilities:	
2160 Accrued wages payable	1,522
2170 Due to other funds	19,959
Total current liabilities	<u>21,481</u>
2000 Total Liabilities	<u>21,481</u>
Net Position	
3800 Unrestricted net position	<u>\$ 96,286</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit D-2

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended August 31, 2014

Data Control Codes		Governmental Activities
		Internal Service Fund
	Operating Revenues	
5749	Miscellaneous revenue from local sources	\$ 293,063
5020	Total Operating Revenues	<u>293,063</u>
	Operating Expenses	
6100	Payroll costs	65,480
6200	Purchased and contracted services	152,884
6300	Supplies and materials	<u>43,332</u>
6030	Total Operating Expenses	<u>261,696</u>
1200	Operating Income (Loss)	31,367
	Net Position	
0100	Net Position - September 1 (Beginning)	<u>64,919</u>
3300	Net Position - August 31 (Ending)	<u>\$ 96,286</u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT*Exhibit D-3***STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS***Year Ended August 31, 2014*

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 293,063
Cash payments to suppliers for goods and services	(216,221)
Cash payments to employees	(65,438)
Net Cash Provided by Operating Activities	<u>11,404</u>
Net Increase in Cash and Cash Equivalents	11,404
Cash and Cash Equivalents at Beginning of Year	<u>106,363</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 117,767</u></u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income	\$ 31,367
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Change in Assets and Liabilities:	
Increase (decrease) in Accounts Payable	(28,920)
Increase (increase) in Accrued Wages Payable	42
Increase (increase) in Interfund Payables	<u>8,915</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 11,404</u></u>

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2014

<u>Data Control Codes</u>		<u>Private Purpose Trust Fund</u>	<u>Student Activity Fund</u>
	Assets		
1110	Cash and cash equivalents	\$ 120,687	\$ 374,658
	Receivables:		
1260	Due from other Funds	-	3,598
1290	Other receivables	-	226
1000	Total Assets	<u>120,687</u>	<u>\$ 378,482</u>
	Liabilities		
2110	Accounts payable	531	\$ 2,018
2170	Due to other funds	7,750	45,071
2190	Due to student groups	-	331,393
2000	Total Liabilities	<u>8,281</u>	<u>\$ 378,482</u>
	Net Postion		
3590	Held In Trust for Other Purposes	<u>\$ 112,406</u>	

See Notes to the Financial Statements.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2014

	Private Purpose Trust Fund
Additions	
Gifts and contributions	\$ 57,093
Earnings on investments	235
Total Additions	<u>57,328</u>
Deductions	
Scholarships awarded	<u>31,500</u>
Total deductions	<u>31,500</u>
Change in net position	25,828
Net position, beginning of year	<u>86,578</u>
Net position, end of year	<u><u>\$ 112,406</u></u>

See Notes to the Financial Statements.

Note 1 - Summary of Significant Accounting Policies

The Galena Park Independent School District (the “District”) is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven member Board of Trustees elected by the District’s residents.

The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the District’s financial reporting entity. Based on these considerations, the District’s basic financial statements do not include any other entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the District’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District’s financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include: considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District's fiduciary funds include both agency funds and private-purpose trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds use the accrual basis of accounting to recognize receivables and payables. Private-purpose trust funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds.

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

Grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the District reports the following fund types:

- The *special revenue funds* are used to account for resources restricted to, or committed for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods. With respect to the food service and campus activity funds, funds are rolled over from year to year for use in the program.

Note 1 - Summary of Significant Accounting Policies (continued)

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

- The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- The *internal service funds* account for print shop services.
- The *private-purpose trust fund* is used to account for donations for scholarship funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.
- The *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. 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 fund are charges to the funds for print shop services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, investment pools, (TexPool, Lone Star and LOGIC), money market funds. These external pools operate like a "2a7" pool and these investments are carried at amortized cost in accordance with GASB 31.

Investments for the District are reported at fair value based on quoted market prices at August 31, 2014. The investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes, and are shown net of an allowance for uncollectible taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

The tax rates applicable to the maintenance and operation and debt service for 2013-2014 were \$1.24330 and \$0.27010, respectively, based on a taxable value of \$6,748,726,082. Uncollected taxes are recorded as unavailable revenue in the fund financial statements net of the related allowance for uncollectible taxes.

Inventories and Prepaid Items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service commodities. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met. Commodity inventory items are recorded as expenditures when distributed to user locations. A portion of fund balance is considered non-spendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Beginning with 2014, the District no longer uses the consumption method as it relates to prepaid items. The District has opted to use the purchase method and in accordance with GAAP, prepaid items are not required to be recorded on the District's balance sheet.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The District's infrastructure includes parking lots and roads associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40 years
Furniture, fixtures and equipment	10 years
Vehicles	10 years

Compensated Absences

The District has a vacation pay policy for non-contractual employees (administration and other full-time employees) whereby eligible employees shall receive vacation pay from one to fifteen days, dependent upon the number of years of service, after the completion of a year's service in the District. All vacation days must be used during the year and unused vacation pay cannot be carried over to future periods.

The District's sick leave policy is coordinated with a state mandated sick leave policy whereby substantially all full-time teaching and paraprofessional employees receive up to twelve days sick leave per year. State sick leave days accrue at the rate of five per year without limit to accumulation. The unused balance may be transferred to another District within the Texas public school system. All state sick leave days must be used prior to retirement from the Texas public school system to receive the benefit. The District pays for all state sick leave days used.

Additional local sick leave of up to seven days per year accrues to employees eligible to receive state mandated sick days. All employees not eligible for state mandated sick days may receive up to twelve days of local sick leave. Local sick leave may be accrued without limitation; however, the District does not pay accumulated local sick leave upon termination with the District. Employees are eligible to receive local sick leave upon qualified retirement from the District, dependent upon the number of years of service with the District. Upon retirement, under an eligible retirement plan, an employee is eligible for reimbursement of accrued local sick leave based on the following schedule:

<u>Years of Service</u>	<u>Salary Service Reimbursed</u>	<u>Maximum Reimbursement</u>
Less than 20	\$100/day for up to 50 local days	\$5,000
20-30	\$100/day for up to 75 local days	\$7,500
31-35	\$100/day for up to 100 local days	\$10,000
Over 35	\$100/day for up to 175 local days	\$17,500

Note 1 - Summary of Significant Accounting Policies (continued)

Long-term Obligations

The District's long-term obligations consist of bond indebtedness and compensated absences. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for compensated absences and Qualified Zone Academy Bonds are liquidated in the general fund.

Fund Equity

Beginning with fiscal year 2011, Galena Park Independent School District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The Statement also clarifies the governmental fund definitions. The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, inventory has been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

Restricted fund balance – Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed 100 percent of Fund 461 Campus Activity Funds' fund balance.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. Per Board Policy, CE Local, the Board has delegated authority to the Superintendent or Chief Financial Officer to establish fund balance assignments. As of August 31, 2014, assigned fund balance is as follows:

Note 1 - Summary of Significant Accounting Policies (continued)

	General Fund
Insurance Deductibles	\$ 4,563,500
Contingency - Unanticipated Deficits or Revenue	
Reductions for Adverse Economic Conditions	26,414,779
Capital and Lifecycle Expenditures	9,200,000
Capital Expenditures - Roofing Projects	17,803,502
Campus Budget Carryover	130,588
Campus Match for Fixed Asset Replacements	275,000
Contingency Liability - Internal Revenue Service (IRS)	100,000
Technology Initiatives	3,900,000
Total Assigned Fund Balance	<u>\$ 62,387,369</u>

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund. The District strives for a minimum unassigned General Fund Balance of ten to fifteen percent of operating expenditures. In the Debt Service Fund, the District’s goal is to have a fund balance of fifteen percent of debt service expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in 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 District’s deferred loss on refunding totaled \$2,418,958.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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 only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1 - Summary of Significant Accounting Policies (continued)

Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Implementation of New Standards

In the current fiscal year the District implemented the following new standards:

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in re-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"), which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations; 2) Accounting Principles Board Opinions; 3) Accounting Research Bulletins of the

American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Implementation of GASB 62 is reflected in the financial statements and notes to the financial statements.

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* ("GASB 63"), amends the net asset reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of the resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position rather than net assets. Implementation of GASB 63 is reflected in the financial statements.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"), establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of GASB 65 is reflected in the financial statements.

Note 2 - Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the Texas Education Agency and shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's cash balance as of August 31, 2014 was properly insured and collateralized with securities held by the District's agent in the District's name.

Note 2 - Deposits and Investments (continued)

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, repurchase agreements, or investment pools.

For fiscal year 2014, the District invested in the State of Texas TexPool, Lone Star Investment Pool, and Local Government Investment Cooperative (LOGIC). TexPool is duly chartered and overseen by the State Comptroller's Office and administered by Lehman Brothers and Federated Investors, Inc. The State Street Bank is the custodial bank. The portfolio consists of U.S. T-Bills, T-Notes, collateralized repurchase and reverse repurchase agreements, and no-load money market mutual funds regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized rating service. The investment activities of LOGIC are administered by First Southwest Asset Management, Inc. and JPMorgan Chase.

Mutual Funds

Lone Star Corporate Overnight Plus Fund, a mutual fund, is duly chartered by the State of Texas Interlocal Cooperation Act and is administered by First Public, LLC, and managed by Bank of New York Mellon and American Beacon Advisors. The Bank of New York is the custodial bank. The Corporate Overnight Plus Fund may invest in all securities authorized under the Investment Act. However, it is the Board's policy to have these additional restrictions:

- The Corporate Overnight Plus Fund shall not invest its assets in any one nongovernmental issuer in an amount that exceeds 5 percent of the total fund assets at cost.
- If an A-1 or P-1 investment is placed on the watch list with negative implications by a rating agency, the investment manager must sell the investment within one week.

At year-end, the District's cash and investments balances and the weighted average maturity of these investments were as follows:

	Fair Value	Weighted Average Maturity (Days)
Cash and deposits	\$ 5,494,080	N/A
Investments		
Local Government Investment Pools		
LOGIC	598,911	56
TexPool	2,960,951	53
Mutual Fund - Lone Star	100,137,217	49
Total Investments	<u>103,697,079</u>	49
Total Cash and Investments	<u>\$109,191,159</u>	49

Note 2 - Deposits and Investments (continued)

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 360 days, with the exception of bond proceeds that are matched to a specific cash flow; diversification; and by holding securities to maturity. In addition, the District shall not directly invest in an individual security maturing more than twenty-four months from the date of purchase.

Credit Risk:

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of August 31, 2014, the District's investment in TexPool was rated AAAM by Standard and Poor's. The District's investments in Lone Star Corporate Overnight Plus Fund and LOGIC were rated AAAs and AAAM, respectively, by Standard and Poor's.

Concentration of Credit Risk:

The District's investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Note 3 - Receivables

Receivables as of year-end for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Property Taxes	\$ 8,266,809	\$ 1,500,365	\$ -	\$ 9,767,174
Due from other governments	11,217,897	132,827	1,651,899	13,002,623
Other	715,871	-	11,170	727,041
Gross Receivables	<u>20,200,577</u>	<u>1,633,192</u>	<u>1,663,069</u>	<u>23,496,838</u>
Less allowance for doubtful accounts	(1,227,705)	(201,500)	-	(1,429,205)
Net Total Receivables	<u><u>\$ 18,972,872</u></u>	<u><u>\$ 1,431,692</u></u>	<u><u>\$ 1,663,069</u></u>	<u><u>\$ 22,067,633</u></u>

This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position 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 only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 3 - Receivables (continued)

In addition, the District records unearned revenue for grant funds received in advance but not have been earned.

At the end of the current fiscal year, the District's deferred inflows related to unavailable property taxes and unearned revenues reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 7,039,103	\$ -
Delinquent property taxes receivable (Debt Service Fund)	1,298,865	-
Grant funds received prior to meeting all eligibility requirements	-	138,463
	<u>\$ 8,337,968</u>	<u>\$ 138,463</u>

Note 4 - Capital Assets

Capital asset activity for the year ended August 31, 2014, was as follows:

	<u>Balance September 1, 2013</u>	<u>Additions</u>	<u>(Retirements) and Transfers</u>	<u>Balance August 31, 2014</u>
Capital assets, not being depreciated				
Land	\$ 13,519,235	\$ 31,364	\$ -	\$ 13,550,599
Total Capital Assets, not being depreciated	<u>13,519,235</u>	<u>31,364</u>	<u>-</u>	<u>13,550,599</u>
Capital assets, being depreciated				
Buildings and improvements	340,745,985	2,030,601	-	342,776,586
Furniture and equipment	41,330,892	432,978	(1,506,867)	40,257,003
Vehicles	9,459,724	964,915	(244,097)	10,180,542
Total Capital Assets, being depreciated	<u>391,536,601</u>	<u>3,428,494</u>	<u>(1,750,964)</u>	<u>393,214,131</u>
Less accumulated depreciation for:				
Buildings and improvements	(114,258,455)	(8,439,560)	-	(122,698,015)
Furniture and Equipment	(25,263,225)	(2,486,838)	1,384,486	(26,365,577)
Vehicles	(6,441,734)	(564,332)	244,097	(6,761,969)
Total Accumulated Depreciation	<u>(145,963,414)</u>	<u>(11,490,730)</u>	<u>1,628,583</u>	<u>(155,825,561)</u>
Governmental Capital Assets	<u>\$ 259,092,422</u>	<u>\$ (8,030,872)</u>	<u>\$ (122,381)</u>	<u>\$250,939,169</u>

Note 4 - Capital Assets (continued)

Depreciation expense was charged to functions/programs of the District as follows:

<u>Function</u>	<u>Depreciation Expense</u>
11 Instruction	\$ 4,894,856
12 Instructional resources and media services	239,814
13 Curriculum and staff development	24,904
21 Instructional leadership	99,347
23 School leadership	151,873
31 Guidance, counseling and evaluation	46,877
32 Social work services	2,296
33 Health services	37,074
34 Student transportation	530,391
35 Food Services	1,149,351
36 Extracurricular activities	608,866
41 General administration	144,621
51 Facilities maintenance and operations	2,989,701
52 Security and monitoring services	92,873
53 Data processing services	463,802
61 Community services	14,084
	<u>\$ 11,490,730</u>

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Activity between the debt service fund and the capital projects fund results primarily from the capital projects fund interest earnings that are used for debt service payments. Additionally, some lending/borrowing may occur between two or more non-major governmental funds.

The composition of interfund balances as of August 31, 2014, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,698,686	\$ 2,606,753
Debt Service Fund	24,076	549
Nonmajor Funds	906,190	2,952,468
Internal Service Fund	-	19,959
Fiduciary Funds	3,598	52,821
	<u>\$ 5,632,550</u>	<u>\$ 5,632,550</u>

Note 5 - Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the year ended August 31, 2014:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Other nonmajor funds	\$ 13,427
		<u>\$ 13,427</u>

The General Fund transferred funds to Fund 461 to cover some of the excess expenditures over revenues.

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2014, was as follows:

	<u>Balance September 1, 2013</u>	<u>Issued and Additions</u>	<u>Retired and Refunded</u>	<u>Balance August 31, 2014</u>	<u>Due Within One Year</u>
Bonds Payable					
General Obligation Bonds	\$ 205,045,213	\$ 8,970,000	\$ (18,766,543)	\$ 195,248,670	\$ 10,244,319
Plus: Premiums and discount on issuance of Bonds	6,493,751	441,141	(981,787)	5,953,105	-
Qualified Zone Academy Bonds	<u>3,574,390</u>	<u>-</u>	<u>(731,519)</u>	<u>2,842,871</u>	<u>731,519</u>
Total Bonds Payable	215,113,354	9,411,141	(20,479,849)	204,044,646	10,975,838
Accretion on Compound Interest Bonds	48,670,003	5,413,734	(2,393,457)	51,690,280	2,450,681
Compensated Absences	<u>569,368</u>	<u>662,748</u>	<u>(79,641)</u>	<u>1,152,475</u>	<u>113,981</u>
	<u>\$ 264,352,725</u>	<u>\$ 15,487,623</u>	<u>\$ (22,952,947)</u>	<u>\$ 256,887,401</u>	<u>\$ 13,540,500</u>

The District issues general obligation bonds to provide funds for the construction and equipment of school facilities, buses, and to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Exhibit F-1

Note 6 - Long-term Liabilities (continued)

The following is a summary of changes in the general obligation bonds for the fiscal year:

Bond Series	Issue Amount	Interest Rate (%)	Matures	Amount Outstanding
1996 Unlimited Tax School Bldg & Refunding Bonds	\$ 40,054,475	4.40 - 6.425	2031	\$ 12,317,931
2002 Maintenance Tax Note ("QZAB")	8,000,000	0.65	2016	773,121
2002 Unlimited Tax School Bldg & Refunding Bonds	29,496,438	3.00 - 5.00	2032	16,626,438
2003 Maintenance Tax Note ("QZAB")	8,000,000	0.13	2019	2,069,752
2005 Unlimited Tax School Building Bonds	7,000,000	3.80 - 5.25	2026	1,730,000
2006 Unlimited Tax School Building Bonds	15,000,000	4.25 - 5.50	2033	7,335,000
2007 Unlimited Tax School Bldg & Refunding Bonds	68,790,870	3.62 - 4.54	2033	60,910,000
2008 Unlimited Tax School Building Bonds	18,000,000	4.50 - 5.25	2034	16,655,000
2010 Unlimited Tax School Building Bonds	17,000,000	4.00-5.00	2034	16,590,000
2011 Unlimited Tax School Building Bonds	9,250,000	2.00-4.00	2026	8,795,000
2012 Unlimited Tax Refunding Bonds	9,234,299	2.50-3.25	2032	9,234,299
2013 Unlimited Tax Refunding Bonds	9,440,000	3.0-3.75	2032	7,645,000
2013 Unlimited Tax Refunding Taxable Bonds	28,550,000	4.00-4.50	2021	28,550,000
2014 Unlimited Tax Refunding Bonds, Series 2014	8,970,000	2.0-3.25	2029	8,860,000
	Total Bonds Payable			198,091,541
	Plus: Unamortized Premiums on Issuance			5,953,105
				204,044,646
	Less: Current Portion			(10,975,838)
				<u>\$ 193,068,808</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31,	Principal	Interest	Total
2015	\$ 10,975,838	\$ 7,513,248	\$ 18,489,086
2016	11,283,335	7,224,431	18,507,766
2017	10,037,460	6,462,872	16,500,332
2018	10,849,482	6,220,132	17,069,614
2019	11,155,712	5,873,686	17,029,398
2020-2024	54,284,777	22,657,091	76,941,868
2025-2029	41,129,672	12,440,118	53,569,790
2030-2034	48,375,265	7,259,122	55,634,387
	<u>198,091,541</u>	<u>\$ 75,650,700</u>	<u>\$ 273,742,241</u>
Less Current Portion	<u>10,975,838</u>		
Long Term Debt	<u>\$ 187,115,703</u>		

Note 6 - Long-term Liabilities (continued)

Current year advanced refunding

During the fiscal year, the District issued Unlimited Tax Refunding Bonds, Series 2014 for \$8,970,000. The proceeds from the sale of the Bonds will be used to(i) refund a portion of the District’s outstanding Unlimited Tax School Building Bonds series 2005 and 2006, for debt service savings and (ii) pay the costs of issuing the Bonds. The reacquisition price exceeded the net carrying amount of the refunded debt by \$771,305; this resulted in a deferred outflow of resources amortized over the life of the new debt. Total debt service payments after the refunding of bonds resulted in a net present value savings of \$987,406.

In prior years, the District defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future bonds are not included in the District’s financial statements. At August 31, 2014, \$42,190,000 of refunded bonds outstanding is considered defeased.

Accreted Interest on Premium Compound Interest Bonds

A portion of the bonds sold in the Series 1996, 2002, 2012 and 2014 refunding bond issues were capital appreciation bonds commonly referred to as “premium compound interest bonds.” The District annually records the appreciation of bond principal for the accreted value of the bonds through maturity of the issue. The interest of these bond series will be paid upon maturity. The following table summarizes the significant features of the individual bonds, by issue:

Capital Appreciation Bonds	Maturity	Maturity Value of Bonds	Original Bond Principal Amount	Accreted Interest On Bonds	Accreted Value of Bonds at Year End
1996	2014-2031	\$ 80,840,000	\$ 13,279,475	\$ 32,949,834	\$ 46,229,309
2002	2022-2032	79,000,000	16,626,438	18,149,294	34,775,732
2012	2017	1,885,000	1,769,299	45,451	1,814,750
2014	2020	995,000	330,000	545,701	875,701
		<u>\$ 162,720,000</u>	<u>\$ 32,005,212</u>	<u>\$ 51,690,280</u>	<u>\$ 83,695,492</u>

Note 7 - Revenues from Local, Intermediate, and Out-of-State Sources

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Property Taxes	\$ 83,773,138	\$ 18,125,508	\$ -	\$ 101,898,646
Investment Income	130,592	27,547	9,276	167,415
Co-curricular Student Activities	207,134	-	847,981	1,055,115
Food Sales	-	-	2,750,940	2,750,940
Other	1,157,675	-	515,323	1,672,998
	<u>\$ 85,268,539</u>	<u>\$ 18,153,055</u>	<u>\$ 4,123,520</u>	<u>\$ 107,545,114</u>

Note 8 - Defined Benefit Pension Plan

Plan Description

The Galena Park Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of the employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action(s), the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years; or, (3) if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2014, 2013, and 2012. The State contributed at a rate of 6.8% for fiscal year 2014, 6.4% for fiscal year 2013, and 6.0% for fiscal year 2012 of all employees' eligible gross earnings, except for those staff members subject to statutory minimum requirements and those staff members being paid from and participating in federally funded programs. State statutes establish these rates. The statutory minimum requirements are based on the State of Texas teacher schedules adjusted based on local tax rates. For staff members funded by federal programs, the federal programs are required to contribute 6.8% for fiscal year 2014, 6.4% for fiscal year 2013, and 6.0% for fiscal year 2012.

Contributions

Contributions made by the State, District and staff members to TRS for the years ended August 31, 2014, 2013, and 2012, are as follows:

For the Year Ended August 31,	State TRS Contributions Made on Behalf of the District	District Required Contributions to TRS	Staff Members Contributions to TRS	Total Covered Payroll
2014	\$ 6,398,502	\$ 2,458,438	\$ 8,335,929	\$130,249,117
2013	5,955,807	2,012,917	8,073,070	126,142,312
2012	5,582,505	2,078,627	8,171,012	127,628,389

Note 8 - Defined Benefit Pension Plan (continued)

For the current fiscal year and each of the past two years, the District’s actual contributions were equal to 100 percent of the required contributions. The contributions made by the State on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

Note 9 - Retiree Health Care

Plan Description

The Galena Park Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under TRS. The statutory authority for the program is Texas Insurance Code, Chapter 1575 that grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2014, 2013, and 2012. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0%.

Contributions made by the State, District, and staff members, for the years ended August 31, 2014, 2013, and 2012, are as follows:

For the Year Ended August 31,	State TRS Care Contributions Made on Behalf of the District	District Required Contributions to TRS Care	Staff Members Contributions to TRS Care	Total Covered Payroll
2014	\$ 1,229,799	\$ 789,064	\$ 846,610	\$130,249,117
2013	577,829	746,663	819,934	126,628,389
2012	1,167,079	811,399	829,880	127,628,389

For the current fiscal year and each of the past two years, the District’s actual contributions were equal to 100 percent of the required contributions. The contributions made by the State on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

Note 9 - Retiree Health Care (continued)

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2014, 2013, and 2012, the subsidy payments received by TRS-Care on behalf of the District were \$347,382, \$335,242, and \$331,834, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

The Early Retiree Reinsurance Program (ERRP) is a provision of the Patient Protection and Affordable Care Act (PPACA) and provides reimbursement to plan sponsors for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents regardless of age. An "early retiree" is defined as a plan participant aged 55-64 who is not eligible for Medicare and is not covered by an active employee of the plan sponsor. This temporary program is available to help employers continue to provide coverage to early retirees. ERRP reimbursement is available on a first come, first served basis for qualified employers that apply and become certified for the program. TRS has been certified for this program and has received funds from the ERRP program beginning in fiscal year 2012 in the amount of \$313,808. For the years ended August 31, 2014 and August 31, 2013, there were no allocations made to the District.

Note 10 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance. In addition, the District is a member of the Texas Association of School Boards Joint Self-Insurance Fund (Fund). The fund was created to formulate, develop and administer a program of modified self-funding for the property and/or liability coverage for its membership, provide claims administration, and develop a comprehensive loss control program. The District pays contributions to the Fund for its general and educators' liability and fleet comprehensive, collision, and liability coverage. The District's agreement with the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts. There has not been any significant reduction of insurance coverage in the last three years. Employees of the District are covered by a fully-insured medical and dental plan through United Health Care. The District and employee contributions are paid directly to the carrier and the carrier assumes all liability to the plan.

Note 11 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial. From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 12 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of August 31, 2014, there was no liability related to arbitrage.

Note 13 - Prior Period Adjustment

During fiscal year 2014, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Under this new standard, bond issuance costs have been removed from the Statement of Net Position. The beginning net position for governmental activities has been restated. Beginning with fiscal year 2014, bond issuance costs were treated as period costs.

In addition, the District no longer accounts for prepaid items using the consumption method. Beginning with fiscal year 2014, 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. As such, restatement of the General Fund's beginning fund balance and Governmental Activities beginning net position was necessary.

	Governmental Activities	General Fund
Beginning Net Position/Fund Balance	\$ 100,171,744	\$ 77,511,233
Prior Period Adjustment -		
Bond Issuance Costs	(1,427,191)	
Prepaid Items	(1,847,826)	(1,847,826)
Beginning Net Position/Fund Balance, as Restated	<u>\$ 96,896,727</u>	<u>\$ 75,663,407</u>

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REQUIRED SUPPLEMENTARY INFORMATION

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended August 31, 2014

Data Control Codes		Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
		Original	Final		
Revenues					
5700	Local revenues	\$ 74,383,050	\$ 83,803,025	\$ 85,268,539	\$ 1,465,514
5800	State program revenues	99,413,917	108,929,027	110,152,379	1,223,352
5900	Federal program revenues	1,545,000	1,545,000	3,153,115	1,608,115
5020	Total revenues	175,341,967	194,277,052	198,574,033	4,296,981
Expenditures					
Current:					
0011	Instruction	102,849,146	101,664,712	98,366,382	3,298,330
0012	Instructional resources and media services	2,182,523	2,344,302	2,240,835	103,467
0013	Curriculum and staff development	2,327,759	2,399,998	2,226,499	173,499
0021	Instructional leadership	4,326,628	4,324,606	3,974,785	349,821
0023	School leadership	10,199,181	11,800,705	11,316,964	483,741
	Guidance, counseling and				
0031	evaluation services	5,853,299	5,895,690	5,455,701	439,989
0032	Social work services	358,498	499,857	460,278	39,579
0033	Health services	1,552,824	1,604,892	1,528,417	76,475
0034	Student transportation	5,570,598	6,259,198	5,630,953	628,245
0035	Food services	12,907	37,907	-	37,907
0036	Extracurricular activities	3,183,698	3,451,055	3,425,082	25,973
0041	General administration	7,527,255	7,524,514	6,693,818	830,696
0051	Facilities maintenance and operations	20,967,327	26,987,835	25,294,743	1,693,092
0052	Security and monitoring services	2,554,115	3,080,242	2,746,767	333,475
0053	Data processing services	2,350,640	2,400,392	2,271,575	128,817
0061	Community services	704,346	865,045	734,704	130,341
Debt Service:					
0071	Principal on long-term debt	732,000	732,000	731,519	481
0072	Interest on long-term debt	62,400	62,400	62,400	-
0073	Bond issuance costs and fees	4,200	4,200	2,888	1,312
Capital outlay:					
0081	Facilities acquisition and construction	307,743	465,743	288,154	177,589
0099	Other intergovernmental charges	792,468	832,468	764,804	67,664
6030	Total Expenditures	174,419,555	183,237,761	174,217,268	9,020,493
1100	Excess (deficiency) of revenues over expenditures	922,412	11,039,291	24,356,765	13,317,474
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	38,958	38,958
8911	Transfers out	(2,148,707)	-	(13,427)	(13,427)
7080	Total other financing sources and uses	(2,148,707)	-	25,531	25,531
1200	Net change in fund balances	(1,226,295)	11,039,291	24,382,296	13,343,005
0100	Fund balances - beginning	77,511,233	77,511,233	77,511,233	-
1300	Prior period adjustment	(1,847,826)	(1,847,826)	(1,847,826)	
3000	Fund balances - ending	\$ 74,437,112	\$ 86,702,698	\$ 100,045,703	\$ 13,343,005

The District adopts annual appropriations type budgets for the General Fund, Food Service Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year ended August 31, 2014.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by August 20, 2013. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

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OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are used to account for all federal, state and locally-funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational goals. Grants included in the Special Revenue Funds are described below.

Fund Number	Fund Name & Description
205	Head Start – funds used to promote the school readiness of low-income preschool children (ages 3-5), including children of migratory seasonal and farm workers, and infants and toddlers (birth through age 3) by enhancing their cognitive social and emotional development in learning environments that support their growth in language, literacy, mathematics, science, social and emotional functioning, creative art, physical skills and approaches to learning.
206	McKinney - Vento Homeless Education - to ensure the enrollment, attendance and success of homeless children and youth in school.
211	ESEA, Title I, Part A - Basic - supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses.
212	ESEA Title I, Part C – for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fisherman.
224	IDEA, Part B - Formula - salaries and supplies to aid children with disabilities with low reading achievement.
225	IDEA, Part B - Preschool - aids preschool students with disabilities.
226	IDEA - Part B, High Cost Risk Pool - assists with high need students with disabilities whose direct special education and related services costs exceed \$25,000 per school year.
240	Child Nutrition Program – federal reimbursement revenues originating from the United States Department of Agriculture and fees from child and adult meals.
244	Vocational Education - Basic - funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes.
255	ESEA, Title II, Part A - TPTR (Teacher and Principal Training and Recruiting) - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
263	ESEA, Title III, Part A - English Language Acquisition - provides additional educational opportunities to supplement programs for students of limited English proficiency and immigrant children by assisting the children to learn English and meet challenging
265	21st Century Community Learning Centers - provides after-school activities for students in elementary through high school.

Nonmajor Governmental Funds (Continued)

Special Revenue Funds (Continued)

Fund Number	Fund Name & Description
289	Various Federal Funds - supports and encourages the development of new, self-supporting, community anti-drug coalitions; early childhood summer programs, library grants and wetlands and water education.
397	Advanced Placement Incentives - enhancement of Advanced Placement programs on specific campuses based on student scores on Advanced Placement examinations.
410	Instructional Materials Allotment - provides funds to purchase instructional materials, technological equipment and technology-related services.
429	Other State Funded Special Revenue Funds - provides funds to help schools fund various programs including mentors and campus awards.
461	Campus Activity - proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.
481	Other Local Grants - grants from local businesses or organizations to be used for educational activities.
486	Miscellaneous Donations – local donations used for specific education purposes as specified by the donor.

Capital Projects Fund

Fund Number	Fund Name & Description
699	Various capital project funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets

GALENA PARK INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2014

<u>Data Control Codes</u>	<u>205</u>	<u>206</u>	<u>211</u>
	<u>Head Start Program</u>	<u>Support for Homeless Educ. Prog.</u>	<u>ESEA Title I, Part A Improving Basic Programs</u>
Assets			
1110	\$ -	\$ -	\$ -
Receivables:			
1240	81,389	2,143	459,378
1260	-	-	384,177
1290	-	-	15
1310	-	-	-
1000 Total Assets	\$ 81,389	\$ 2,143	\$ 843,570
Liabilities and Fund Balance			
Liabilities:			
Current Liabilities:			
2110	\$ -	\$ -	\$ -
2160	17,166	-	64,379
2170	64,223	2,143	779,191
2300	-	-	-
2000 Total Liabilities	81,389	2,143	843,570
Fund Balances:			
Nonspendable			
3410	-	-	-
Restricted			
3450	-	-	-
3470	-	-	-
Committed			
3545	-	-	-
3000 Total Fund Balances	-	-	-
4000 Total Liabilities and Fund Balance	\$ 81,389	\$ 2,143	\$ 843,570

212	224	225	226	240	244
ESEA Title I, Part C	IDEA B Formula	IDEA B Preschool Grant	IDEA B- Discretionary	Child Nutrition	Vocational Ed -Basic
\$ -	\$ -	\$ -	\$ -	\$ 4,198,632	\$ -
19,612	651,458	3,251	-	257,803	-
24,591	237,081	3,092	-	2,225	-
61	-	-	-	6,664	-
-	-	-	-	328,052	-
<u>\$ 44,264</u>	<u>\$ 888,539</u>	<u>\$ 6,343</u>	<u>\$ -</u>	<u>\$ 4,793,376</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 60,826	\$ -
3,931	54,927	53	-	68,487	-
40,333	833,612	6,290	-	643,135	-
-	-	-	-	-	-
<u>44,264</u>	<u>888,539</u>	<u>6,343</u>	<u>-</u>	<u>772,448</u>	<u>-</u>
-	-	-	-	328,052	-
-	-	-	-	3,692,876	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,020,928</u>	<u>-</u>
<u>\$ 44,264</u>	<u>\$ 888,539</u>	<u>\$ 6,343</u>	<u>\$ -</u>	<u>\$ 4,793,376</u>	<u>\$ -</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2014

Data Control Codes	255	263	265
	Title II, Part A	Title III, Part A	21st Century Grant
Assets			
1110	\$ -	\$ -	\$ -
Receivables:			
1240	134,770	34,759	7,336
1260	76,753	159,825	-
1290	-	-	-
1310	-	-	-
1000	<u>\$ 211,523</u>	<u>\$ 194,584</u>	<u>\$ 7,336</u>
Liabilities and Fund Balance			
Liabilities:			
Current Liabilities:			
2110	\$ -	\$ -	\$ -
2160	10,636	6,617	699
2170	200,887	187,967	6,637
2300	-	-	-
2000	<u>211,523</u>	<u>194,584</u>	<u>7,336</u>
Fund Balance:			
Nonspendable			
3410	-	-	-
Restricted			
3450	-	-	-
3470	-	-	-
Committed			
3545	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 211,523</u>	<u>\$ 194,584</u>	<u>\$ 7,336</u>

289	397	410	429	461	481
Various Federal Funds	Advanced Placement Incentive	Instructional Materials Allotment	State Funded Special Revenue	Campus Activity Funds	Other Local Funds
\$ -	\$ 18,682	\$ 6,612	\$ 2,643	\$ 1,159,395	\$ 118,101
-	-	-	-	-	-
-	-	-	-	17,616	830
-	-	-	-	4,430	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 18,682</u>	<u>\$ 6,612</u>	<u>\$ 2,643</u>	<u>\$ 1,181,441</u>	<u>\$ 118,931</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,886	-
-	-	486	-	72,279	-
-	18,682	-	2,643	-	106,391
<u>-</u>	<u>18,682</u>	<u>486</u>	<u>2,643</u>	<u>76,165</u>	<u>106,391</u>
-	-	-	-	-	-
-	-	6,126	-	-	12,540
-	-	-	-	-	-
-	-	-	-	1,105,276	-
<u>-</u>	<u>-</u>	<u>6,126</u>	<u>-</u>	<u>1,105,276</u>	<u>12,540</u>
<u>\$ -</u>	<u>\$ 18,682</u>	<u>\$ 6,612</u>	<u>\$ 2,643</u>	<u>\$ 1,181,441</u>	<u>\$ 118,931</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2014

Exhibit H-1
Page 3 of 3

Data Control Codes		486	699	Total Nonmajor Governmental Funds
		Miscellaneous Donations	Capital Projects Fund	
Assets				
1110	Cash and temporary investments	\$ 411	\$ 1,650,616	\$ 7,155,092
Receivables:				
1240	Receivables from other governments	-	-	1,651,899
1260	Due from other funds	-	-	906,190
1290	Other receivables	-	-	11,170
1310	Inventories, at cost	-	-	328,052
1000	Total Assets	<u>\$ 411</u>	<u>\$ 1,650,616</u>	<u>\$ 10,052,403</u>
Liabilites and Fund Balance				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ 60,826
2160	Accrued wages payable	-	-	230,781
2170	Due to other funds	-	115,285	2,952,468
2300	Unearned revenues	411	-	128,127
2000	Total Liabilities	<u>411</u>	<u>115,285</u>	<u>3,372,202</u>
Fund Balance:				
Nonspendable				
3410	Inventories	-	-	328,052
Restricted				
3450	Grants	-	-	3,711,542
3470	Capital acquisition program	-	1,535,331	1,535,331
Committed				
3545	Campus activity	-	-	1,105,276
3000	Total Fund Balances	<u>-</u>	<u>1,535,331</u>	<u>6,680,201</u>
4000	Total Liabilities and Fund Balance	<u>\$ 411</u>	<u>\$ 1,650,616</u>	<u>\$ 10,052,403</u>

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2014

Data Control Codes		205	206	211
		<u>Head Start Program</u>	<u>Support for Homeless Educ. Prog.</u>	<u>ESEA Title I, Part A Improving Basic Programs</u>
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	725,819	87,840	4,965,415
5020	Total revenues	<u>725,819</u>	<u>87,840</u>	<u>4,965,415</u>
Expenditures				
Current:				
0011	Instruction	-	20,667	3,254,331
0012	Instruction resources and media services	-	-	10,209
0013	Curriculum and instructional staff development	-	-	925,259
0021	Instructional leadership	124,997	947	633,781
0023	School leadership	-	-	27,265
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	35,405	20,718	29,096
0033	Health services	58,689	-	-
0034	Student transportation	-	45,508	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	506,728	-	85,474
Capital outlay:				
0081	Facilities acquisition and construction	-	-	-
6030	Total Expenditures	<u>725,819</u>	<u>87,840</u>	<u>4,965,415</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-
7915	Transfers in	-	-	-
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

212	224	225	226	240	244
ESEA Title I, Part C	IDEA B Formula	IDEA B Preschool Grant	IDEA B- Discretionary	Child Nutrition	Vocational Ed -Basic
\$ -	\$ -	\$ -	\$ -	\$ 2,755,038	\$ -
-	-	-	-	73,246	-
179,310	3,857,512	63,239	69,095	10,705,922	237,255
179,310	3,857,512	63,239	69,095	13,534,206	237,255
38,357	2,728,331	63,239	28,075	-	233,825
-	-	-	-	-	-
-	512,023	-	-	-	3,430
72,690	133,007	-	-	-	-
-	1,330	-	-	-	-
-	444,440	-	-	-	-
31,354	1,682	-	-	-	-
-	25,453	-	41,020	-	-
4,670	10,138	-	-	-	-
-	-	-	-	13,146,607	-
-	-	-	-	-	-
-	-	-	-	256,480	-
-	-	-	-	-	-
-	-	-	-	-	-
32,239	1,108	-	-	-	-
-	-	-	-	-	-
179,310	3,857,512	63,239	69,095	13,403,087	237,255
-	-	-	-	131,119	-
-	-	-	-	2,848	-
-	-	-	-	-	-
-	-	-	-	2,848	-
-	-	-	-	133,967	-
-	-	-	-	3,886,961	-
\$ -	\$ -	\$ -	\$ -	\$ 4,020,928	\$ -

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2014

	255	263	265
Data Control Codes	Title II, Part A	Title III, Part A	21st Century Grant
Revenues			
5700	\$ -	\$ -	\$ -
5800	-	-	-
5900	723,670	544,111	253,876
5020	723,670	544,111	253,876
Expenditures			
Current:			
0011	-	205,054	168,756
0012	-	-	-
0013	711,724	324,136	-
0021	11,946	2,016	84,532
0023	-	-	-
0031	-	-	-
0032	-	-	-
0033	-	-	-
0034	-	12,905	-
0035	-	-	-
0036	-	-	-
0041	-	-	-
0051	-	-	-
0052	-	-	-
0053	-	-	-
0061	-	-	588
Capital outlay:			
0081	-	-	-
6030	723,670	544,111	253,876
1100	-	-	-
Other Financing Sources (Uses)			
7912	-	-	-
7915	-	-	-
7080	-	-	-
1200	-	-	-
0100	-	-	-
3000	\$ -	\$ -	\$ -

289	397	410	429	461	481
Various Federal Funds	Advanced Placement Incentive	Instructional Materials Allotment	State Funded Special Revenue	Campus Activity Funds	Other Local Funds
\$ -	\$ -	\$ -	\$ 5,711	\$ 1,214,440	\$ 147,295
-	24,171	2,834,175	756	-	-
97,359	-	-	-	-	-
97,359	24,171	2,834,175	6,467	1,214,440	147,295
32,280	10,821	2,826,869	650	243,419	15,287
-	-	-	107	40,054	6,161
-	13,350	-	-	1,222	24,232
-	-	295	-	1,255	-
-	-	-	-	147,035	3,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,704	-
-	-	-	-	-	-
-	-	-	-	773,548	-
-	-	-	-	44,463	85,725
1,387	-	590	-	3,944	-
63,692	-	-	-	13,587	-
-	-	295	-	-	-
-	-	-	5,710	41,199	350
-	-	-	-	5,000	-
97,359	24,171	2,828,049	6,467	1,316,430	134,755
-	-	6,126	-	(101,990)	12,540
-	-	-	-	-	-
-	-	-	-	13,427	-
-	-	-	-	13,427	-
-	-	6,126	-	(88,563)	12,540
-	-	-	-	1,193,839	-
\$ -	\$ -	\$ 6,126	\$ -	\$ 1,105,276	\$ 12,540

GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2014

Exhibit H-2
Page 3 of 3

Data Control Codes		486	699	Total - Nonmajor Governmental Funds
		Miscellaneous Donations	Capital Projects Fund	
Revenues				
5700	Local, intermediate, and out-of-state	\$ 232	\$ 804	\$ 4,123,520
5800	State program revenues	-	-	2,932,348
5900	Federal program revenues	-	-	22,510,423
5020	Total revenues	<u>232</u>	<u>804</u>	<u>29,566,291</u>
Expenditures				
Current:				
0011	Instruction	-	-	9,869,961
0012	Instruction resources and media services	-	-	56,531
0013	Curriculum and instructional staff development	-	-	2,515,376
0021	Instructional leadership	-	-	1,065,466
0023	School leadership	-	-	178,630
0031	Guidance, counseling and evaluation services	-	-	444,440
0032	Social work services	-	-	118,255
0033	Health services	-	-	125,162
0034	Student transportation	-	-	74,925
0035	Food services	-	-	13,146,607
0036	Extracurricular activities	-	-	773,548
0041	General administration	-	-	130,188
0051	Facilities maintenance and operations	-	888,648	1,151,049
0052	Security and monitoring services	-	15,067	92,346
0053	Data processing services	-	-	295
0061	Community services	232	-	673,628
Capital outlay:				
0081	Facilities acquisition and construction	-	1,300	6,300
6030	Total Expenditures	<u>232</u>	<u>905,015</u>	<u>30,422,707</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(904,211)</u>	<u>(856,416)</u>
Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	2,848
7915	Transfers in	-	-	13,427
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>16,275</u>
1200	Net change in fund balances	-	(904,211)	(840,141)
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>2,439,542</u>	<u>7,520,342</u>
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ 1,535,331</u>	<u>\$ 6,680,201</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
August 31, 2014

Exhibit H-3

	Balance September 1, 2013	Additions	Deductions	Balance August 31, 2014
Assets				
Cash and Cash Equivalents	\$ 337,119	\$ 2,887,281	\$ 2,849,742	\$ 374,658
Due From Others	4,943	93,829	95,174	3,598
Other Receivables	172	972	918	226
	<u>\$ 342,234</u>	<u>\$ 2,982,082</u>	<u>\$ 2,945,834</u>	<u>\$ 378,482</u>
Liabilities				
Accounts Payable	\$ 25,600	\$ 1,030,809	\$ 1,054,391	\$ 2,018
Due to Other Funds	54,954	2,825,341	2,835,224	45,071
Due to Student Groups	261,680	1,217,487	1,147,774	331,393
	<u>\$ 342,234</u>	<u>\$ 5,073,637</u>	<u>\$ 5,037,389</u>	<u>\$ 378,482</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended August 31, 2014

<u>Last Ten Fiscal Years</u>	<u>Tax Rates</u>		<u>Net Assessed/Appraised Value For School Tax Purposes</u>	<u>Beginning Balance 9/1/13</u>
	<u>Maintenance</u>	<u>Debt Service</u>		
2005 and prior	Various	Various	Various	\$ 1,621,864
2006	1.61000	0.20500	3,800,153,223	241,704
2007	1.46750	0.24750	4,219,257,026	213,707
2008	1.18340	0.24750	4,817,270,110	234,345
2009	1.18340	0.27250	5,466,719,898	352,202
2010	1.18340	0.29500	5,682,442,359	397,936
2011	1.18340	0.33000	5,462,732,192	433,775
2012	1.18340	0.33000	5,420,068,595	574,816
2013	1.18340	0.33000	6,362,846,718	1,412,560
2014	1.24330	0.27010	6,748,726,082	
1000 Totals				<u><u>\$ 5,482,909</u></u>
9000	Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Cose (Function 97)			<u>-</u>

Exhibit J-1

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/14
\$ -	\$ 43,563	\$ 5,499	\$ (57,886)	\$ 1,514,916
-	20,426	2,601	(5,708)	212,969
-	14,295	2,411	(5,565)	191,436
-	24,207	5,063	(5,823)	199,252
-	57,009	13,127	(7,534)	274,532
-	49,528	12,346	(23,878)	312,184
-	101,853	28,403	10,310	313,829
-	57,914	16,150	(118,316)	382,436
-	(61,272)	(13,311)	(844,782)	642,361
<u>101,872,657</u>	<u>82,879,136</u>	<u>17,931,741</u>	<u>337,281</u>	<u>1,399,061</u>
<u>\$ 101,872,657</u>	<u>\$ 83,186,659</u>	<u>\$ 18,004,030</u>	<u>\$ (721,901)</u>	<u>5,442,976</u>
				Penalty and interest receivable on taxes <u>4,324,198</u>
				Total taxes receivable per Governmental Fund Balance Sheet (C-1) <u>\$ 9,767,174</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit J-3

BUDGETARY COMPARISON SCHEDULE

CHILD NUTRITION FUND

For the Year Ended August 31, 2014

Data Control Codes		Budget			Variance Favorable (Unfavorable)
		Original	Final	Actual	
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 2,403,256	\$ 2,741,256	\$ 2,755,038	\$ 13,782
5800	State Program Revenues	69,000	69,000	73,246	4,246
5900	Federal Program Revenues	11,404,226	11,127,226	10,705,922	(421,304)
5020	Total Revenues	13,876,482	13,937,482	13,534,206	(403,276)
Expenditures					
Current:					
0035	Food Services	13,433,568	13,433,568	13,146,607	286,961
0051	Plant maintenance and operations	644,974	644,974	256,480	388,494
6030	Total Expenditures	14,078,542	14,078,542	13,403,087	675,455
1100	Excess (Deficiency) Revenues Over Expenditures	(202,060)	(141,060)	131,119	272,179
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	2,848	2,848
1200	Net change in fund balances	(202,060)	(141,060)	133,967	275,027
0100	Fund Balance - beginning	3,886,961	3,886,961	3,886,961	-
3000	Fund Balance - ending	\$ 3,684,901	\$ 3,745,901	\$ 4,020,928	\$ 275,027

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the Year Ended August 31, 2014

Data Control Codes	Budget			Variance Favorable (Unfavorable)	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 16,192,910	\$ 18,470,000	\$ 18,153,055	\$ (316,945)
5800	State Program Revenues	1,306,000	2,284,000	2,553,951	269,951
5020	Total Revenues	<u>17,498,910</u>	<u>20,754,000</u>	<u>20,707,006</u>	<u>(46,994)</u>
Expenditures					
Current:					
Debt Service:					
0071	Principal on long-term debt	9,686,543	9,686,543	9,796,543	(110,000)
0072	Interest on long-term debt	9,936,074	9,936,074	9,809,130	126,944
0073	Bond issuance costs and fees	25,000	195,000	169,710	25,290
6030	Total Expenditures	<u>19,647,617</u>	<u>19,817,617</u>	<u>19,775,383</u>	<u>42,234</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>(2,148,707)</u>	<u>936,383</u>	<u>931,623</u>	<u>(4,760)</u>
Other Financing Sources (Uses)					
7911	Refunding bonds issued	-	8,970,000	8,970,000	-
7915	Transfers In	2,148,707	-	-	-
7916	Premium or discount on issuance of bonds	-	986,842	986,842	-
8949	Payment to bond refunding escrow agent	-	(9,956,842)	(9,787,132)	169,710
	Total other financing sources and uses	<u>2,148,707</u>	<u>-</u>	<u>169,710</u>	<u>169,710</u>
1200	Net change in fund balances	-	936,383	1,101,333	164,950
0100	Fund Balance - beginning	<u>8,942,426</u>	<u>8,942,426</u>	<u>8,942,426</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 8,942,426</u>	<u>\$ 9,878,809</u>	<u>\$ 10,043,759</u>	<u>\$ 164,950</u>

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STATISTICAL SECTION
(UNAUDITED)

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION

The statistical section of the Galena Park Independent School District’s Comprehensive Annual 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 District’s economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

	<u>Page</u>
Financial Trends	76
These schedules contain trend information to show how the District’s financial performance and position have changed over time	
Revenue Capacity	86
These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.	
Debt Capacity	94
These schedules present information to help assess the affordability of the District’s current debt burden and its ability to issue additional debt in the future.	
Demographic and Economic Information	100
These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.	
Operating Information	104
These schedules provide information about the District’s operations and resources to assist in using the financial statement information to better understand and assess the District’s economic condition.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities:			
Net investment in capital assets	\$ 50,303,111	\$ 48,447,172	\$ 48,387,569
Restricted	13,823,205	13,023,826	10,016,278
Unrestricted	<u>57,092,596</u>	<u>33,597,971</u>	<u>10,028,641</u>
Total Governmental Activities Net Position	<u>\$ 121,218,912</u>	<u>\$ 95,068,969</u>	<u>\$ 68,432,488</u>

Table 1

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 53,833,026	\$ 49,875,572	\$ 52,299,778	\$ 51,849,703	\$ 51,112,413	\$ 61,209,595	\$ 52,104,329
10,531,018	9,835,302	9,702,298	8,028,543	8,122,503	7,557,687	9,825,046
5,897,450	10,646,315	5,488,537	4,843,758	(1,221,323)	(4,191,321)	10,500,883
<u>\$ 70,261,494</u>	<u>\$ 70,357,189</u>	<u>\$ 67,490,613</u>	<u>\$ 64,722,004</u>	<u>\$ 58,013,593</u>	<u>\$ 64,575,961</u>	<u>\$ 72,430,258</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2014	2013	2012
Expenses:			
Governmental Activities:			
Instruction	\$ 113,536,472	\$ 110,548,329	\$ 119,602,322
Instructional Resources and Media Services	2,543,759	2,421,087	2,516,129
Curriculum and Instructional Staff Development	4,785,800	4,508,432	5,345,912
Instructional Leadership	5,158,621	4,728,055	5,141,031
School Leadership	11,686,374	9,877,826	10,620,953
Guidance, Counseling, and Evaluation Services	5,967,337	5,606,717	6,634,847
Social Work Services	581,864	419,590	388,202
Health Services	1,696,559	1,641,843	1,733,425
Student (Pupil) Transportation	5,442,835	5,533,763	5,520,678
Food Services	13,828,395	12,325,411	12,428,159
Cocurricular/Extracurricular Activities	4,784,559	3,896,064	4,209,663
General Administration	6,990,616	6,445,569	6,905,251
Plant Maintenance and Operations	27,857,900	23,624,581	25,311,366
Security and Monitoring Services	2,778,838	2,013,057	1,968,539
Data Processing Services	2,516,556	2,539,098	2,289,328
Community Services	1,427,226	1,419,328	1,387,390
Debt Service - Interest on Long-term Debt	11,978,110	13,296,766	13,569,926
Debt Service - Bond Issuance Costs and Fees	-	-	2,100
Facilities Acquisition and Construction	199,646	-	-
Payments to Appraisal District	764,804	680,484	687,831
Total Governmental Activities Expenses	224,526,271	211,526,000	226,263,052
Total Primary Government Expenses	224,526,271	211,526,000	226,263,052
Program Revenues:			
Governmental Activities:			
Charges for Services:			
Instruction	1,055,658	378,481	691,838
School Leadership	126,835	92,036	108,021
Food Services	2,748,933	2,584,100	2,629,662
Cocurricular/Extracurricular Activities	882,036	776,879	755,675
General Administration	-	-	-
Plant Maintenance and Operations	293,264	29,935	145,482
Security and Monitoring Services	-	-	-
Facilities repairs and maintenance	-	-	-
Other Activities	-	-	-
Operating Grants and Contributions	36,638,833	34,920,645	47,454,168
Total Governmental Activities Program Revenues	41,745,559	38,782,076	51,784,846
Total Primary Government Program Revenues	41,745,559	38,782,076	51,784,846

Table 2
Page 1 of 2

2011	2010	2009	2008	2007	2006	2005
\$ 122,370,042	\$ 113,577,108	\$ 108,256,241	\$ 97,192,638	\$ 103,888,973	\$ 96,513,939	\$ 90,123,925
2,534,826	2,442,877	2,329,227	2,118,912	2,223,039	2,065,060	1,988,642
5,908,955	5,161,904	4,269,795	3,989,393	4,653,581	4,301,105	3,577,020
4,956,514	4,445,447	4,750,832	3,909,503	3,632,373	3,429,591	3,160,508
11,178,042	10,327,302	9,968,042	8,789,170	8,933,777	8,634,915	8,117,501
6,937,775	6,148,901	6,090,505	5,592,874	5,532,078	5,404,307	5,587,258
537,078	593,215	625,719	673,929	646,963	537,622	443,172
1,724,297	1,574,097	1,413,780	1,301,805	1,222,425	1,185,118	1,189,319
5,508,054	4,584,314	4,950,809	4,807,046	4,894,751	4,506,781	4,418,172
11,309,542	9,775,884	10,162,221	9,337,078	9,247,540	9,040,373	8,846,238
3,842,327	3,538,725	3,307,338	3,124,249	3,220,584	3,120,988	3,448,889
7,385,442	5,963,619	5,953,647	6,265,341	6,210,987	6,664,173	5,925,285
24,487,945	20,412,889	21,412,919	19,147,258	18,699,421	18,441,309	18,510,350
2,363,252	2,105,534	2,090,879	1,808,136	1,775,667	1,684,162	1,673,110
2,195,154	2,694,257	1,911,117	1,651,635	1,235,566	1,513,649	1,123,326
1,318,585	1,294,642	1,085,044	949,134	1,054,545	1,040,449	998,740
13,692,016	13,543,239	12,550,677	11,898,476	11,299,338	12,488,412	11,707,683
99,352	6,814	7,665	215,808	-	-	-
-	5,004,840	1,373,270	1,114,540	2,274,797	135,168	1,657,418
667,412	586,095	563,772	-	-	-	-
229,016,610	213,781,703	203,073,499	183,886,925	190,646,405	180,707,121	172,496,556
229,016,610	213,781,703	203,073,499	183,886,925	190,646,405	180,707,121	172,496,556
321,668	253,892	511,097	531,777	263,462	314,536	443,259
141,352	121,318	108,929	144,475	77,443	69,631	62,811
2,664,951	2,671,651	2,813,059	2,348,231	2,492,018	2,425,162	2,572,020
341,864	285,589	334,166	330,813	237,615	294,651	445,032
-	23,471	38,669	72,693	743,795	35,323	43,397
160,201	109,623	84,388	113,675	128,817	126,236	104,108
59,129	66,313	-	-	9,173	210,575	35,463
-	11,884	199,927	199,927	-	-	-
-	12,918	30,142	61,725	83,223	105,857	79,071
52,386,497	35,532,170	30,617,676	27,854,681	32,028,531	27,335,714	23,967,337
56,075,662	39,088,829	34,738,053	31,657,997	36,064,077	30,917,685	27,752,498
56,075,662	39,088,829	34,738,053	31,657,997	36,064,077	30,917,685	27,752,498

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense) / Revenue:			
Governmental Activities	\$ (182,780,712)	\$ (172,743,924)	\$ (174,478,206)
Total Primary Government Net (Expense)/Revenue	<u>(182,780,712)</u>	<u>(172,743,924)</u>	<u>(174,478,206)</u>
 General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$ 101,858,021	82,406,881	82,638,413
State Aid - Formula Grants	104,724,697	90,609,429	89,566,964
Unrestricted Grants and Contributions	86,213	3,524,025	3,619
Investment Earnings	167,415	195,268	226,543
Miscellaneous Income	266,551	325,679	213,661
Total Governmental Activities	<u>207,102,897</u>	<u>177,061,282</u>	<u>172,649,200</u>
Total Primary Government	<u>207,102,897</u>	<u>177,061,282</u>	<u>172,649,200</u>
 Change in Net Position			
Governmental Activities	24,322,185	4,317,358	(1,829,006)
Total Primary Government	<u>\$ 24,322,185</u>	<u>\$ 4,317,358</u>	<u>\$ (1,829,006)</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ (172,940,948)	\$ (174,692,874)	\$ (168,335,446)	\$ (152,228,928)	\$ (154,582,328)	\$ (149,789,436)	\$ (144,744,058)
<u>(172,940,948)</u>	<u>(174,692,874)</u>	<u>(168,335,446)</u>	<u>(152,228,928)</u>	<u>(154,582,328)</u>	<u>(149,789,436)</u>	<u>(144,744,058)</u>
84,019,149	79,970,986	\$ 70,110,785	\$ 72,803,076	\$ 68,572,107	\$ 64,881,658	\$ 61,606,343
88,240,597	96,509,112	98,205,339	81,439,459	75,730,783	73,887,932	76,565,779
133,886	366	7,260	836,330	1,022,391	-	-
285,073	1,041,617	2,709,581	3,497,284	1,883,506	1,386,141	1,072,089
166,548	37,369	71,096	361,190	811,173	687,274	899,243
<u>172,845,253</u>	<u>177,559,450</u>	<u>171,104,061</u>	<u>158,937,339</u>	<u>148,019,960</u>	<u>140,843,005</u>	<u>140,143,454</u>
<u>172,845,253</u>	<u>177,559,450</u>	<u>171,104,061</u>	<u>158,937,339</u>	<u>148,019,960</u>	<u>140,843,005</u>	<u>140,143,454</u>
<u>(95,695)</u>	<u>2,866,576</u>	<u>2,768,615</u>	<u>6,708,411</u>	<u>(6,562,368)</u>	<u>(8,946,431)</u>	<u>(4,600,604)</u>
<u>\$ (95,695)</u>	<u>\$ 2,866,576</u>	<u>\$ 2,768,615</u>	<u>\$ 6,708,411</u>	<u>\$ (6,562,368)</u>	<u>\$ (8,946,431)</u>	<u>\$ (4,600,604)</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	307,509	2,197,568	2,237,057	1,671,045
Assigned	62,387,369	31,379,551	30,576,739	28,828,263
Unassigned	37,350,825	43,934,114	22,881,292	18,590,443
Total General Fund	<u>\$ 100,045,703</u>	<u>\$ 77,511,233</u>	<u>\$ 55,695,088</u>	<u>\$ 49,089,751</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	328,052	330,573	259,018	391,839
Restricted	15,290,632	14,938,506	15,433,451	20,337,361
Committed	1,105,276	1,118,844	1,117,250	925,527
Unassigned	-	74,845	-	(2,513)
Total all other governmental funds	<u>\$ 16,723,960</u>	<u>\$ 16,462,768</u>	<u>\$ 16,809,719</u>	<u>\$ 21,652,214</u>

In fiscal year 2011, the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The fund balance classifications of Reserved and Unreserved are not used. The prior years were not restated.

Table 3

2010	2009	2008	2007	2006	2005
\$ 2,481,483	\$ 2,481,483	\$ 1,155,917	\$ 606,890	\$ 963,930	\$ 772,189
41,272,266	41,272,266	34,900,554	28,486,876	18,835,642	17,135,877
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 43,753,749</u>	<u>\$ 43,753,749</u>	<u>\$ 36,056,471</u>	<u>\$ 29,093,766</u>	<u>\$ 19,799,572</u>	<u>\$ 17,908,066</u>
\$ 8,881,453	\$ 8,451,723	\$ 8,372,217	\$ 7,850,712	\$ 6,443,115	\$ 6,617,530
22,880,112	10,909,530	18,606,927	19,446,036	14,055,414	180,343
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 31,761,565</u>	<u>\$ 19,361,253</u>	<u>\$ 26,979,144</u>	<u>\$ 27,296,748</u>	<u>\$ 20,498,529</u>	<u>\$ 6,797,873</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues			
Local, intermediate, and out-of-state	\$ 107,545,114	\$ 100,870,878	\$ 86,839,658
State program revenues	115,638,678	111,519,829	100,431,290
Federal program revenues	25,663,538	25,300,766	28,555,473
Total revenues	<u>248,847,330</u>	<u>237,691,473</u>	<u>215,826,421</u>
Expenditures			
Current:			
Instruction	108,236,343	105,345,195	104,778,613
Instruction resources and media services	2,297,366	2,096,006	2,156,143
Curriculum and instructional staff development	4,741,875	4,465,590	4,486,751
Instructional leadership	5,040,251	4,807,130	4,699,674
School leadership	11,495,594	9,780,324	9,733,219
Guidance, counseling and evaluation services	5,900,141	5,905,014	5,558,339
Social work services	578,533	466,373	417,632
Health services	1,653,579	1,580,846	1,606,261
Student transportation	5,705,878	5,610,045	5,210,690
Food services	13,146,607	12,385,551	12,037,705
Extracurricular activities	4,198,630	3,533,511	3,384,149
General administration	6,824,006	6,348,851	6,143,821
Facilities maintenance and operations	26,445,792	21,969,662	21,411,993
Security and monitoring services	2,839,113	2,412,958	2,044,109
Data processing services	2,271,870	2,635,290	2,826,525
Community services	1,408,332	1,395,984	1,406,599
Principal on long-term debt	10,528,062	9,904,288	8,124,325
Interest on long-term debt	9,871,530	11,049,145	13,148,832
Bond issuance costs and fees	172,598	533,905	166,082
Facilities acquisition and construction expenditures	294,454	3,892,873	4,583,902
Payments to appraisal districts	764,804	721,839	680,484
Total Expenditures	<u>224,415,358</u>	<u>216,840,380</u>	<u>214,605,848</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,431,972</u>	<u>20,851,093</u>	<u>1,220,573</u>
Other financing sources (uses)			
Refunding bonds issued	8,970,000	37,990,000	9,234,299
Capital related debt issued (regular bonds)	-	-	-
Sale of real or personal property	41,806	34,816	230,813
Transfers in	13,427	79,105	1,346,897
Premium or discount on issuance of bonds	986,842	3,212,391	745,214
Transfers out	(13,427)	(79,105)	(1,346,897)
Payment to bond refunding escrow agent	(9,787,132)	(40,619,106)	(9,796,601)
Other resources	-	-	128,542
Other uses - court ordered tax refunds	-	-	-
Total other financing sources (uses)	<u>211,516</u>	<u>618,101</u>	<u>542,267</u>
Net change in Fund Balances	<u>\$ 24,643,488</u>	<u>\$ 21,469,194</u>	<u>\$ 1,762,840</u>
Debt service as a percentage of noncapital expenditures	9.16%	9.95%	10.23%

* Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less current year capital outlay

Table 4

2011	2010	2009	2008	2007	2006	2005
\$ 88,352,462	\$ 87,446,212	\$ 84,497,542	\$ 76,939,894	\$ 81,180,321	\$ 75,795,623	\$ 69,634,169
101,831,613	99,495,102	107,326,585	108,661,567	89,350,078	84,504,845	80,218,538
35,122,701	41,171,536	24,513,530	20,167,976	20,779,916	24,276,860	21,005,108
<u>225,306,776</u>	<u>228,112,850</u>	<u>216,337,657</u>	<u>205,769,437</u>	<u>191,310,315</u>	<u>184,577,328</u>	<u>170,857,815</u>
113,533,933	116,343,652	108,274,823	101,879,051	92,229,252	98,041,149	92,355,708
2,238,478	2,250,754	2,146,819	2,070,834	1,863,613	1,958,966	1,793,341
5,322,015	5,883,925	5,135,790	4,248,338	4,003,173	4,692,582	4,332,033
5,027,723	4,851,875	4,366,090	4,667,600	3,884,720	3,585,125	3,328,759
10,470,061	11,055,609	10,162,127	9,853,352	8,698,078	8,820,235	8,383,028
6,582,751	6,881,197	6,087,783	6,041,654	5,568,678	5,512,675	5,326,858
386,115	534,991	591,089	623,889	672,099	645,132	523,274
1,695,358	1,686,373	1,535,239	1,379,020	1,272,822	1,189,086	1,157,530
5,098,572	5,446,174	4,762,776	4,707,440	4,671,273	4,807,268	4,141,943
13,163,036	11,077,711	11,113,215	9,987,017	9,286,177	8,741,126	9,752,885
4,182,803	3,885,984	3,345,017	2,908,841	2,808,282	2,904,334	2,850,486
6,732,709	6,980,173	5,856,038	5,846,843	6,165,420	6,163,492	6,520,521
23,414,498	21,786,715	20,754,911	19,874,965	17,603,073	16,912,996	17,396,556
2,006,943	2,332,810	2,104,542	2,090,946	1,808,093	1,776,129	1,654,694
2,449,516	2,051,911	2,694,735	1,911,618	1,646,654	1,235,252	1,420,618
1,373,535	1,305,020	1,284,313	1,076,330	942,597	1,048,651	1,069,834
10,848,290	10,025,749	9,199,916	8,854,781	8,869,751	7,631,519	7,156,719
10,496,688	10,771,053	11,195,372	10,561,545	9,215,243	7,934,507	7,554,575
165,893	99,352	-	-	-	-	534,410
8,337,870	3,175,535	5,004,840	18,107,897	22,041,543	7,553,097	21,282,926
687,831	667,412	586,095	563,772	-	-	-
<u>234,214,618</u>	<u>229,093,975</u>	<u>216,201,530</u>	<u>217,255,733</u>	<u>203,250,541</u>	<u>191,153,321</u>	<u>198,536,698</u>
(8,907,842)	(981,125)	136,127	(11,486,296)	(11,940,226)	(6,575,993)	(27,678,883)
9,250,000	-	-	-	-	-	-
-	17,000,000	-	18,000,000	68,790,871	22,000,000	52,248,708
79,973	39,096	24,581	39,341	32,434	18,034	24,995
235,750	68,924	28,106	9,819	-	1,656,096	1,616,306
671,423	85,170	-	92,057	2,960,392	150,121	5,690,743
(235,750)	(40,928)	(27,948)	(9,819)	(554,346)	(1,656,096)	(1,616,306)
(9,753,590)	-	-	-	(43,077,608)	-	(57,409,513)
89,284	26,578	-	-	-	-	-
-	-	(81,480)	-	(119,103)	-	-
<u>337,090</u>	<u>17,178,840</u>	<u>(56,741)</u>	<u>18,131,398</u>	<u>28,032,640</u>	<u>22,168,155</u>	<u>554,933</u>
\$ (8,570,752)	\$ 16,197,715	\$ 79,386	\$ 6,645,102	\$ 16,092,414	\$ 15,592,162	\$ (27,123,950)
9.52%	9.25%	9.66%	9.75%	9.98%	8.48%	8.60%

GALENA PARK INDEPENDENT SCHOOL DISTRICT

REVENUE BY SOURCE FOR GOVERNMENTAL FUNDS *

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues from Local and Intermediate Sources:				
Property Taxes	\$ 101,898,646	\$ 96,060,301	\$ 82,518,824	\$ 83,600,427
Food Sales	2,750,940	2,655,573	2,584,201	2,629,662
Earnings on Investments	167,415	177,448	195,268	226,543
Cocurricular / Student Activities	1,062,967	1,367,827	1,121,203	1,025,400
Other Revenues from Local and Intermediate Sources	1,665,146	609,729	420,162	870,430
Total Revenue from Local and Intermediate Sources	<u>107,545,114</u>	<u>100,870,878</u>	<u>86,839,658</u>	<u>88,352,462</u>
State Program Revenues:				
Foundation School Formula	96,750,134	89,799,577	81,902,071	79,814,416
TRS On-behalf Revenue	7,975,683	6,868,878	7,395,226	8,193,606
Debt Allotment	2,553,951	4,503,773	3,597,685	3,134,120
Available School Fund (Per Capita)	5,347,184	9,490,102	5,056,922	6,555,194
District Awards Teacher Excellence (DATE)	-	-	1,454,823	1,480,587
Texas Educator Excellence Governors Award (TEEG)	-	-	-	-
Technology Allotment	-	-	-	591,107
TX HS Initiative - Early Warning Data System (STTE)	-	-	-	-
Accelerated Reading & Math Instruction (ARI/AMI)	-	-	-	-
Student Success Initiative	-	-	351,661	322,868
Instructional Materials Allotment	2,834,175.00	560,990	503,730	1,181,649
TRS Employee Health Insurance	-	-	-	-
Other State Program Revenues **	177,551	296,509	169,172	558,066
Total State Program Revenues	<u>115,638,678</u>	<u>111,519,829</u>	<u>100,431,290</u>	<u>101,831,613</u>
Federal Program Revenues:				
State Fiscal Stabilization Fund				7,685,510
National School Breakfast and Lunch Program	10,280,909	9,978,169	9,218,262	9,151,875
ESEA Title I, Part A - Improving Basic Programs	5,111,193	5,038,958	5,436,695	5,777,650
IDEA Part B - Formula	3,956,789	3,547,960	3,613,526	3,819,176
IDEA Part B - Formula - ARRA	-	-	-	1,115,174
ESEA Title I, Part A - Improving Basic Programs - ARRA	-	-	-	653,454
SHARS	1,606,362	1,588,777	958,755	1,316,842
ESEA Title II, Part A - Teacher, Principal, Training, Recruiting	744,649	718,650	734,977	959,530
Early Head Start	732,369	772,064	744,934	766,216
ESEA Title III, Part A - Limited English Proficiency	554,948	668,683	889,017	683,393
USDA Commodities	871,112	856,296	720,258	762,388
Advanced Placement Incentive Program	-	-	-	457,761
E-Rate	694,871	678,780	399,938	615,467
Vocational Education - Carl D. Perkins	-	-	-	-
ESEA Title II, Part D - Technology Immersion Pilot (TIP)	-	-	-	-
Title I, Part C	184,509	-	345,741	-
21st Century	253,876	-	536,926	-
Education Jobs Fund	-	-	3,792,270	-
Temporary Impact Aid - HERA	-	-	-	-
FEMA Disaster Assistance****	-	-	-	-
Other Federal Program Revenue **	671,951	1,452,429	1,164,174	1,358,265
Total Federal Program Revenues	<u>25,663,538</u>	<u>25,300,766</u>	<u>28,555,473</u>	<u>35,122,701</u>
Total Revenues for Governmental Funds	<u>\$ 248,847,330</u>	<u>\$ 237,691,473</u>	<u>\$ 215,826,421</u>	<u>\$ 225,306,776</u>

* This schedule is prepared in lieu of a Schedule of Tax Revenues by Source, as all tax revenues received by the District are Ad Valorem Taxes.

** Individual local, state and federal programs in excess of \$300,000 are reported separately in this schedule. All others are combined as Other Local, State or Federal Program Revenues. Additionally, prior year information is not restated for programs or grants that exceed \$300,000 in a subsequent year, the amounts remain in Other Local, State or Federal Program Revenues.

*** This schedule includes all Governmental Fund Types

**** Disaster assistance grants received are the result of damage from Hurricane Ike.

Table 5

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 83,277,367	\$ 79,685,962	\$ 70,112,171	\$ 73,518,426	\$ 69,758,223	\$ 63,978,783
2,664,951	2,649,521	2,813,791	2,630,236	3,015,526	2,492,343
284,441	1,023,944	2,397,172	3,412,545	2,257,456	1,386,141
639,550	551,336	664,164	855,365	160,610	649,648
579,730	586,779	952,596	763,749	603,808	1,127,254
<u>87,446,039</u>	<u>84,497,542</u>	<u>76,939,894</u>	<u>81,180,321</u>	<u>75,795,623</u>	<u>69,634,169</u>
82,113,931	85,971,145	86,415,431	67,850,143	63,455,542	58,990,783
7,069,140	7,611,883	7,572,012	6,599,574	5,864,799	5,231,964
3,700,428	5,443,920	6,283,044	5,747,220	6,170,910	5,964,772
2,364,313	5,053,058	5,484,330	7,726,035	6,112,344	7,479,280
1,410,553	-	-	-	-	-
923,541	1,357,418	1,346,233	-	-	-
588,162	588,152	579,554	496,717	533,541	578,455
362,670	-	-	-	-	-
-	461,089	466,400	654,896	617,446	359,322
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,112,396	1,270,500
962,365	839,920	514,563	275,493	637,867	343,462
<u>99,495,103</u>	<u>107,326,585</u>	<u>108,661,567</u>	<u>89,350,078</u>	<u>84,504,845</u>	<u>80,218,538</u>
9,496,712	633,177	-	-	-	-
8,387,965	7,442,637	7,092,687	6,514,846	6,489,438	6,197,994
6,158,912	6,104,877	4,028,333	3,918,066	4,673,388	4,883,533
3,959,045	4,696,208	3,412,477	3,041,398	4,254,634	3,832,798
3,371,003	-	-	-	-	-
2,899,607	-	-	-	-	-
1,324,154	-	306,834	1,096,372	747,315	-
925,830	879,855	795,753	847,439	898,296	883,750
754,745	766,954	730,476	719,940	727,035	771,386
717,819	769,864	570,797	685,658	678,683	570,590
583,059	680,583	625,256	487,367	467,556	606,682
575,924	-	-	-	-	-
421,917	-	365,242	379,596	794,988	-
-	312,802	-	-	-	-
-	-	339,972	714,756	-	665,871
-	-	-	-	-	-
-	458,130	528,002	712,604	601,160	674,500
-	-	-	-	-	-
-	-	-	-	2,125,133	-
-	421,641	-	-	-	-
1,594,843	1,346,802	1,372,147	1,661,874	1,819,234	1,918,004
<u>41,171,535</u>	<u>24,513,530</u>	<u>20,167,976</u>	<u>20,779,916</u>	<u>24,276,860</u>	<u>21,005,108</u>
<u>\$ 228,112,677</u>	<u>\$ 216,337,657</u>	<u>\$ 205,769,437</u>	<u>\$ 191,310,315</u>	<u>\$ 184,577,328</u>	<u>\$ 170,857,815</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Appraised Value		Less Exemptions	Total Taxable Assessed Value
	Real Property	Personal Property		
2005	\$ 2,722,443,030	\$ 1,622,986,620	\$ (647,320,786)	\$ 3,698,108,864
2006	2,830,356,580	2,244,981,496	(1,275,184,853)	3,800,153,223
2007	2,949,272,449	2,672,340,941	(1,402,356,364)	4,219,257,026
2008	3,153,068,761	3,114,049,982	(1,449,848,633)	4,817,270,110
2009	3,334,047,889	3,801,206,900	(1,668,534,891)	5,466,719,898
2010	3,374,490,897	3,950,573,931	(1,681,471,194)	5,643,593,634
2011	3,268,053,301	3,908,453,891	(1,683,347,545)	5,493,159,647
2012	3,250,137,926	4,002,379,770	(1,832,449,109)	5,420,068,587
2013	3,287,403,674	5,077,288,433	(2,001,845,389)	6,362,846,718
2014	3,581,313,317	5,306,633,833	(2,139,221,068)	6,748,726,082

(1) Tax rates are per \$100 of taxable assessed value.

Source: Harris County Appraisal District

Note: The real property numbers were derived by using the tax roll for the necessary year and adding the totals for all items designated as "real" in the property use category description.

Personal property represents items not identified as "real" in the property use category description.

Actual value is the market value as reported by HCAD. HCAD did not provide market value figures prior to fiscal year 2006.

Table 6

Total Direct Tax Rate (1)	Actual Value	Assessed Value as a Percentage of Actual Value
\$ 1.79500	N/A	N/A
1.81500	5,104,704,974	74%
1.71500	\$ 5,644,760,134	75%
1.43090	6,296,753,135	77%
1.45590	7,164,108,053	76%
1.47840	7,340,015,099	77%
1.51340	7,191,240,810	76%
1.51340	7,264,497,418	75%
1.51340	8,376,275,379	76%
1.51340	8,901,084,602	76%

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2014	2013	2012	2011
Overlapping Rates:				
Cities:				
Galena Park, City of	1.04745	1.05745	1.03745	1.03745
Houston, City of	0.63875	0.63875	0.63875	0.63875
Jacinto City, City of	0.79991	0.76612	0.79593	0.80153
Counties:				
Harris Co	0.41455	0.40021	0.39117	0.38805
Municipal Utility Districts:				
Harris Co MUD #8	0.68000	0.68000	0.56500	0.54250
Harris Co MUD #53	0.88000	0.91000	0.87500	0.82500
Harris Co MUD #285	0.96000	0.98000	0.94500	0.93000
Water Control and Improvement Districts:				
Harris Co WC&ID #36	0.33000	0.31000	0.29000	0.29000
Port of Houston Authority	0.01716	0.01952	0.01856	0.02054
Other Governmental Entities:				
Harris Co Dept of Education	0.00636	0.00662	0.00658	0.06581
Harris Co Flood Control District	0.02827	0.02809	0.02809	0.02923
Harris Co FWSD #51	0.33000	0.34500	0.34000	0.32000
San Jacinto Community College District	0.18560	0.18560	0.18560	0.17628
District Direct Rates:				
Maintenance and Operations	1.24330	1.24330	1.18340	1.18340
Debt Service	0.27010	0.27010	0.33000	0.33000
Total District Direct Rates	<u>1.51340</u>	<u>1.51340</u>	<u>1.51340</u>	<u>1.51340</u>

Source: Harris County Tax Office
Harris County Appraisal District
Individual Jurisdictions

Table 7

2010	2009	2008	2007	2006	2005
1.03745	1.03745	1.04745	1.04745	No Data	No Data
0.63875	0.63875	0.64500	0.64750	0.65000	0.65500
0.72107	0.66147	0.67175	0.70880	0.83157	0.80700
0.39224	0.38923	0.39239	0.40240	0.39990	0.39990
0.52750	0.47000	0.49000	0.49000	No Data	No Data
0.79500	0.79500	0.81500	0.81500	No Data	No Data
0.93000	0.90000	0.90000	0.90000	No Data	No Data
0.28000	0.28000	0.28000	0.28000	No Data	No Data
0.01640	0.01770	0.01440	0.01300	0.01470	0.01670
0.06050	0.05840	0.05850	0.06290	0.06290	0.06290
0.02920	0.03090	0.03110	0.03240	0.03320	0.03320
0.02922	0.03086	0.03060	0.27000	No Data	No Data
0.17080	0.16341	0.14536	0.14536	1.39130	1.39130
1.18340	1.18340	1.18340	1.46750	1.61000	1.58000
0.29500	0.27250	0.24750	0.24750	0.20500	0.21500
<u>1.47840</u>	<u>1.45590</u>	<u>1.43090</u>	<u>1.71500</u>	<u>1.81500</u>	<u>1.79500</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Table 8

PRINCIPAL TAXPAYERS

August 31, 2014

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Helmerich & Payne	\$ 237,572,640	1	3.52%	Not Available		
Oil Tanking Houston, Inc.	169,860,418	2	2.52%	\$ 75,886,991	2	2.05%
Magellan Terminal Holdings	159,690,624	3	2.37%	50,727,810	6	1.37%
GE Packaged Power (1)	133,511,853	4	1.98%	165,654,880	1	4.48%
Marine Well Containment Company LLC	128,226,308	5	1.90%	Not Available		
Velero Marketing & Supply	116,995,705	6	1.73%	Not Available		
PMI Trading Limited	100,361,793	7	1.49%	Not Available		
NOV - Rig Solutions	87,331,470	8	1.29%	Not Available		
NOV Wilson LP	83,542,753	9	1.24%	Not Available		
Equilon Enterprises LLC	81,596,475	10	1.21%	Not Available		
GB Biosciences Corp.	Not Available			71,039,711	3	1.92%
Houston Fuel Oil	Not Available			68,617,640	4	1.86%
Stolt Nielson, Inc.	Not Available			51,374,359	5	1.39%
Centerpoint Energy Houston	Not Available			34,887,800	7	0.94%
GATX Terminals Corp	Not Available			34,342,440	8	0.93%
Haltermann Ltd	Not Available			31,087,700	9	0.84%
Chevron Chemical Co.	Not Available			28,277,320	10	0.76%
	<u>\$ 1,298,690,039</u>		<u>19.24%</u>	<u>\$ 611,896,651</u>		<u>16.55%</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL PERIODS

Table 9

Fiscal Year Ended August 31,	Total Tax Levy * for Fiscal Year (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 63,120,289	\$ 61,390,689	97.26%	\$ 1,396,743	\$ 62,787,432	99.47%
2006	69,325,077	67,322,148	97.11%	1,789,960	69,112,108	99.69%
2007	72,145,369	70,597,750	97.85%	1,356,183	71,953,933	99.73%
2008	68,855,109	67,634,905	98.23%	1,020,952	68,655,857	99.71%
2009	78,941,849	77,745,766	98.48%	921,552	78,667,318	99.65%
2010	83,603,034	81,391,301	97.35%	1,404,042	82,795,343	99.03%
2011	82,672,989	81,347,725	98.40%	714,983	82,062,708	99.26%
2012	81,698,734	80,669,815	98.74%	219,702	80,889,517	99.01%
2013	96,048,750	94,771,892	98.67%	(74,583)	94,697,309	98.59%
2014	101,872,657	100,810,877	98.96%		100,810,877	98.96%

- (1) Appraised value less exemptions equal taxable assessed value. The beginning taxable value net of adjustments times the tax rate set by the District's Board of Trustees each fall equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Table 10

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt per Student (2)
	Schoolhouse and Refunding Bonds	Qualified Zone Academy Bonds			
2005	\$ 196,727,149	\$ 9,426,541	\$ 206,153,690	5.57%	\$ 9,948
2006	211,818,429	8,695,022	220,513,451	5.80%	10,391
2007	228,582,052	7,963,504	236,545,556	5.61%	11,168
2008	238,349,616	7,231,985	245,581,601	5.10%	11,672
2009	229,711,908	6,500,466	236,212,374	4.32%	11,138
2010	237,331,818	5,768,947	243,100,765	4.31%	11,355
2011	223,176,489	5,037,428	228,213,917	4.15%	10,587
2012	215,357,982	4,305,909	219,663,891	4.05%	10,086
2013	205,045,213	3,574,390	208,619,603	3.28%	9,478
2014	198,782,817	2,842,871	201,625,688	2.99%	8,955

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- (1) See Table 6 for assessed value information.
- (2) See Table 17 for student enrollment information.

GALENA PARK INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 11

Fiscal Year	Schoolhouse and Refunding Bonds Outstanding	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Net Bonded Debt per Student (2)
2005	\$ 196,727,149	\$ 3,112,232	\$ 193,614,917	5.24%	\$ 9,343
2006	211,818,429	2,920,709	208,897,720	5.50%	9,844
2007	228,582,052	3,123,604	225,458,448	5.34%	10,645
2008	238,349,616	3,193,333	235,156,283	4.88%	11,176
2009	229,711,908	3,976,978	225,734,930	4.13%	10,644
2010	237,331,818	4,232,268	233,099,550	4.13%	10,888
2011	223,176,489	4,973,571	218,202,918	3.97%	10,122
2012	219,289,451	7,386,838	211,902,613	3.91%	9,729
2013	209,510,402	8,942,426	200,567,976	3.15%	9,112
2014	198,782,817	10,043,759	188,739,058	2.80%	8,383

(1) See Table 6 for assessed value information.

(2) See Table 17 for student enrollment.

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
For the Year Ended August 31, 2014

Table 12

Governmental Unit	Net Debt		Percentage Overlapping	Amount of Overlapping Debt
	Amount	As Of		
Cities:				
Galena Park	\$ 1,401,486	09/30/12	100.00%	\$ 1,401,486
Houston	2,902,761,526	06/30/13	0.32%	9,288,837
Jacinto City	964,117	09/30/12	64.29%	619,831
Counties:				
Harris	2,088,615,319	02/28/13	2.03%	42,398,891
Municipal Utility Districts:				
Harris Co. MUD 8	4,145,204	06/30/13	100.00%	4,145,204
Harris Co. MUD 53	24,647,108	02/13/14	27.00%	6,654,719
Harris Co. MUD 285	43,517,778	03/31/13	70.63%	30,745,310
Water Control and Improvement Districts				
Harris Co. WC&ID 36	11,019,421	06/30/13	100.00%	11,019,421
Port of Houston Authority	673,026,397	12/31/13	2.17%	14,604,673
Other Governmental Entities:				
Harris County Department of Education	7,410,000	05/31/14	2.03%	150,423
Harris County Flood Control District	91,076,282	02/29/12	2.11%	1,921,710
Harris Co. FWSD 51	12,624,797	06/30/13	100.00%	12,624,797
Harris County Toll Road Authority	-	02/28/13	2.17%	
San Jacinto Community College District	296,030,347	08/31/13	15.52%	45,943,910
				Subtotal, overlapping debt
				181,519,212
				Galena Park Independent School District Direct Debt
				201,625,688
				Total Direct and Overlapping Debt
				\$ 383,144,900

Sources: Texas Municipal Report issued by the Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Galena Park Independent School District. This process recognizes that, when considering the government'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 paying the debt, of each overlapping government.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 888,794,715	\$ 836,469,211	\$ 732,506,483	\$ 732,506,483
Less: Total Net Debt Applicable to Limit	<u>191,581,929</u>	<u>200,567,976</u>	<u>211,902,613</u>	<u>233,099,550</u>
Legal Debt Margin	<u><u>\$ 697,212,786</u></u>	<u><u>\$ 635,901,235</u></u>	<u><u>\$ 520,603,870</u></u>	<u><u>\$ 499,406,933</u></u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	21.56%	23.98%	28.93%	30.96%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Taxable Value	\$ 6,748,726,082
Add back:	
Exempt Real Property	<u>2,139,221,068</u>
Total Assessed Value	<u><u>\$ 8,887,947,150</u></u>
Debt Limit (10% of total assessed value)	\$ 888,794,715
Debt Applicable to Limit:	
Schoolhouse and Refunding Bonds	\$ 201,625,688
Less: Amount set aside for repayment of bonds	<u>(10,043,759)</u>
Total Net Debt Applicable to Limit	<u><u>\$ 191,581,929</u></u>
Legal Debt Margin	<u><u>\$ 697,212,786</u></u>

Note: Although there is no legal debt limit in the State of Texas, most school business officials in the State hold the opinion that the Attorney General would not approve bonded indebtedness in excess of 10 percent of assessed value.

Source: Harris County Appraisal District.

Table 13

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 732,506,483	\$ 713,525,479	\$ 626,711,874	\$ 562,161,339	\$ 507,533,808	\$ 434,542,965
<u>225,734,930</u>	<u>235,156,283</u>	<u>225,458,448</u>	<u>208,897,720</u>	<u>193,614,917</u>	<u>195,106,592</u>
<u>\$ 487,790,549</u>	<u>\$ 391,555,591</u>	<u>\$ 336,702,891</u>	<u>\$ 298,636,088</u>	<u>\$ 240,928,048</u>	<u>\$ 219,092,889</u>
31.82%	31.64%	37.52%	40.11%	41.16%	44.56%

GALENA PARK INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 14

Fiscal Year	Residential Units (1)	Total Assessed Value per Residential Unit (1)	Average Assessed Value per Residential Unit (1)	Median Annual Income (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2005	20,214	\$ 1,099,244,410	\$ 54,380	\$ 44,085	\$ 43,028	5.4%
2006	20,302	1,159,650,696	57,120	47,159	46,132	5.1%
2007	20,452	1,234,087,515	60,341	49,977	49,634	4.3%
2008	20,499	1,337,559,065	65,250	Not Available	47,788	5.2%
2009	20,526	1,396,707,548	68,046	Not Available	Not Available	8.2%
2010	20,536	1,263,129,320	61,508	Not Available	Not Available	8.6%
2011	20,534	1,193,407,476	58,119	34,430	Not Available	8.1%
2012	20,572	1,150,278,910	55,915	35,150	Not Available	7.0%
2013	20,606	1,103,012,056	53,529	35,342	Not Available	6.1%
2014	20,669	1,131,283,208	54,733	36,042	Not Available	5.5%

(1) Harris County Appraisal District

The residential property numbers were derived by using the tax roll for the necessary year and adding the total designated as "residential" in the property use category description.

(2) TRACER of Texas Workforce Commission for Harris County

(3) United States Department of Labor - Bureau of Labor Statistics

GALENA PARK INDEPENDENT SCHOOL DISTRICT

Table 15

PRINCIPAL EMPLOYERS

For the Year Ended August 31, 2014

<u>Taxpayer</u>	<u>2014</u>			<u>2005⁽¹⁾</u>		
	<u>Employees</u>	<u>Rank*</u>	<u>Percentage of Principal Employers</u>	<u>Employees</u>	<u>Rank*</u>	<u>Percentage of Principal Employers</u>
Harris County						
Galena Park ISD	2,958		56.34%			
Chevron Chemical Co.	592		11.28%			
Sam's Club	500		9.52%			
Wal-Mart	400		7.62%			
United State Gypsum Co	350		6.67%			
National Oilwell Varco	350		6.67%			
City of Galena Park	100		1.90%			
Total Harris County Employment	<u>5,250</u>					

⁽¹⁾ Information not readily available.

* Ranking is optional

Source: Manta.com

GALENA PARK INDEPENDENT SCHOOL DISTRICT***FULL-TIME EQUIVALENT DISTRICT EMPLOYEES******LAST TEN FISCAL YEARS***

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Professional Staff				
Teachers	1,473	1,480	1,492	1,537
Professional Support	263	297	270	307
Campus Administration	76	69	65	74
Central Administration	51	11	35	29
Education Aides	177	127	98	134
Auxiliary Staff	<u>918</u>	<u>956</u>	<u>1,014</u>	<u>1,023</u>
Total	<u><u>2,958</u></u>	<u><u>2,940</u></u>	<u><u>2,974</u></u>	<u><u>3,104</u></u>

Source: Texas Education Agency TAPR (Texas Academic Performance Report)

Table 16

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
1,573	1,520	1,545	1,532	1,603	1,523
274	285	227	218	190	169
70	72	75	67	72	65
34	27	29	36	50	45
167	141	146	176	150	93
<u>976</u>	<u>976</u>	<u>950</u>	<u>914</u>	<u>927</u>	<u>950</u>
<u>3,094</u>	<u>3,021</u>	<u>2,972</u>	<u>2,943</u>	<u>2,992</u>	<u>2,845</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year August 31,	Average Daily Attendance	Governmental Fund Expenditures		Government-wide Expenses	
		Operating Expenditures (1)	Cost per Student	Governmental Activities Expenses	Cost per Student
2005	19,282	\$ 162,008,068	\$ 8,402	\$ 180,707,121	\$ 9,372
2006	19,609	168,034,198	8,569	190,646,405	9,722
2007	19,587	163,124,004	8,328	183,886,925	9,388
2008	19,585	179,731,510	9,177	203,073,499	10,369
2009	19,780	190,801,402	9,646	213,781,703	10,808
2010	19,830	205,022,286	10,339	229,016,610	11,549
2011	20,114	204,365,877	10,160	226,263,052	11,249
2012	20,226	188,582,707	9,324	211,523,486	10,458
2013	20,500	191,994,074	9,366	213,051,992	10,393
2014	20,884	203,548,714	9,747	224,526,271	10,751

Source: District Records

- (1) Operating expenditures include governmental fund expenditures less debt service and facilities acquisition and construction expenditures.

Table 17

District Employees				Final Enrollment	Percentage Increase in Enrollment	Student / Teacher Ratio	Students Participating in Free/Reduced Lunch Program
Teachers	Professionals	Other	Total				
1,523	279	1,043	2,845	20,724	1.65%	14	14,598
1,603	312	1,077	2,992	21,221	2.40%	13	15,320
1,532	321	1,090	2,943	21,180	-0.19%	14	16,366
1,545	331	1,096	2,972	21,041	-0.66%	14	16,042
1,520	384	1,117	3,021	21,208	0.79%	14	17,983
1,573	379	1,142	3,094	21,409	0.95%	14	17,761
1,537	410	1,157	3,104	21,557	0.69%	14	16,842
1,492	370	1,112	2,974	21,780	1.03%	15	17,216
1,480	297	1,163	2,940	22,012	1.07%	15	18,220
1,473	263	1,222	2,958	22,515	2.29%	15	18,055

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 18

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	State wide Average (2)
2005	\$ 36,275	\$ 58,875	\$ 41,009
2006	37,500	59,526	41,743
2007	40,000	62,875	44,897
2008	41,000	64,925	46,179
2009	43,000	67,475	47,159
2010	44,500	69,525	48,263
2011	45,000	70,575	48,638
2012	45,000	70,575	48,375
2013	45,000	70,575	48,821
2014	45,500	71,825	49,692

(1) Source: District Records

(2) Source: Texas Education Agency TAPR (Texas Academic Performance Report)

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2014	2013	2012
HIGH SCHOOLS				
Galena Park	1950			
Square Footage		277,914	277,914	277,914
Additions				
Revised Sq Ft		<u>277,914</u>	<u>277,914</u>	<u>277,914</u>
Capacity (see note #1)		1,869	1,869	1,869
Enrollment		2,025	1,915	1,867
North Shore West	1954			
Square Footage		390,876	390,876	390,876
Additions				
Revised Sq Ft		<u>390,876</u>	<u>390,876</u>	<u>390,876</u>
Capacity (see note #1)		1,678	1,678	1,678
Enrollment		1,156	1,156	1,122
North Shore East (see note #3)	1956			
Square Footage		120,555	120,555	120,555
Additions				
Revised Sq Ft		<u>120,555</u>	<u>120,555</u>	<u>120,555</u>
Capacity (see note #1)		1,134	1,134	1,134
Enrollment (see note #2)				
North Shore Senior High	1998			
Square Footage		492,913	492,913	492,913
Additions				
Revised Sq Ft		<u>492,913</u>	<u>492,913</u>	<u>492,913</u>
Capacity (see note #1)		3,384	3,384	3,384
Enrollment		3,257	3,319	3,322
Sub-Total Sq Ft. High Schools		<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>
 MIDDLE SCHOOLS				
Galena Park	1993			
Square Footage		149,394	149,394	149,394
Additions				
Revised Sq Ft		<u>149,394</u>	<u>149,394</u>	<u>149,394</u>
Capacity (see note #1)		1,106	1,106	1,106
Enrollment		1,039	1,052	1,072
North Shore	1993			
Square Footage		216,836	216,836	216,836
Additions				
Revised Sq Ft		<u>216,836</u>	<u>216,836</u>	<u>216,836</u>
Capacity (see note #1)		1,449	1,449	1,449
Enrollment		1,344	1,310	1,269

Table 19
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2011	2010	2009	2008	2007	2006	2005
277,914	277,914	277,914	277,914	277,914	277,914	277,914
<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>	<u>277,914</u>
1,869	1,869	1,869	1,869	1,869	1,869	1,869
1,733	1,857	1,800	1,748	1,728	1,711	1,671
390,876	390,876	390,876	390,876	390,876	390,876	390,876
<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>	<u>390,876</u>
1,678	1,678	1,678	1,678	1,678	1,678	1,678
1,193	1,135	1,087	2,150	2,161	2,173	2,134
120,555	120,555	120,555	120,555	120,555	120,555	120,555
<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>	<u>120,555</u>
1,134	1,134	1,134	1,134	1,134	1,134	1,134
492,913	492,913	492,913	356,213	356,213	356,213	319,513
			136,700			13,500
<u>492,913</u>	<u>492,913</u>	<u>492,913</u>	<u>492,913</u>	<u>356,213</u>	<u>356,213</u>	<u>333,013</u>
3,384	3,384	3,384	3,384	2,187	2,187	1,734
3,241	3,052	2,967	1,851	1,862	1,867	1,765
<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>	<u>1,282,258</u>	<u>1,145,558</u>	<u>1,145,558</u>	<u>1,122,358</u>
149,394	149,394	149,394	149,394	149,394	149,394	149,394
<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>	<u>149,394</u>
1,106	1,106	1,106	1,106	1,106	1,106	1,106
1,060	1,002	1,003	932	921	933	980
216,836	216,836	216,836	216,836	216,836	216,836	216,836
<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>	<u>216,836</u>
1,449	1,449	1,449	1,449	1,449	1,449	1,449
1,324	1,304	1,357	1,406	1,396	1,299	1,268

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2014	2013	2012
MIDDLE SCHOOLS (continued)				
Woodland Acres	1947			
Square Footage		97,086	97,086	97,086
Additions				
Revised Sq Ft		<u>97,086</u>	<u>97,086</u>	<u>97,086</u>
Capacity (see note #1)		659	659	659
Enrollment		459	458	472
Cunningham	1981			
Square Footage		167,234	167,234	167,234
Additions				
Revised Sq Ft		<u>167,234</u>	<u>167,234</u>	<u>167,234</u>
Capacity (see note #1)		1,123	1,123	1,123
Enrollment		998	887	913
Cobb 6th Grade Campus	2000			
Square Footage		130,893	130,893	130,893
Additions				
Revised Sq Ft		<u>130,893</u>	<u>130,893</u>	<u>130,893</u>
Capacity (see note #1)		1,240	1,240	1,240
Enrollment		1,063	1,155	1,162
Sub-Total Sq Ft. Middle Schools		<u>761,443</u>	<u>761,443</u>	<u>761,443</u>
 ELEMENTARY SCHOOLS				
Cimarron	1954			
Square Footage		90,123	90,123	90,123
Additions				
Revised Sq Ft		<u>90,123</u>	<u>90,123</u>	<u>90,123</u>
Capacity (see note #1)		1,034	1,034	1,034
Enrollment		833	809	810
Cloverleaf	1942			
Square Footage		89,346	89,346	89,346
Additions				
Revised Sq Ft		<u>89,346</u>	<u>89,346</u>	<u>89,346</u>
Capacity (see note #1)		1,048	1,048	1,048
Enrollment		871	845	804
Galena Park	1936			
Square Footage		79,396	79,396	79,396
Additions				
Revised Sq Ft		<u>79,396</u>	<u>79,396</u>	<u>79,396</u>
Capacity (see note #1)		700	700	700
Enrollment		671	670	655

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2011	2010	2009	2008	2007	2006	2005
97,086	97,086	97,086	88,244	88,244	88,244	88,244
			8,842			
<u>97,086</u>	<u>97,086</u>	<u>97,086</u>	<u>97,086</u>	<u>88,244</u>	<u>88,244</u>	<u>88,244</u>
659	659	659	659	490	490	490
487	509	487	479	495	478	439
167,234	162,765	162,765	162,765	162,765	162,765	162,765
<u>167,234</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>	<u>162,765</u>
1,123	1,047	1,047	1,047	1,047	1,047	1,047
907	932	888	819	872	938	861
130,893	130,893	130,893	130,893	130,893	130,893	130,893
<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>	<u>130,893</u>
1,240	1,240	1,240	1,240	1,240	1,240	1,240
1,009	1,066	1,098	1,107	1,163	1,113	1,090
<u>761,443</u>	<u>756,974</u>	<u>756,974</u>	<u>756,974</u>	<u>748,132</u>	<u>748,132</u>	<u>748,132</u>
90,123	90,123	90,123	90,123	90,123	90,123	90,123
<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>	<u>90,123</u>
1,034	1,034	1,034	1,034	1,034	1,034	1,034
807	855	880	925	993	985	997
89,346	89,346	89,346	89,346	89,346	89,346	89,346
<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>	<u>89,346</u>
1,048	1,048	1,048	1,048	1,048	1,048	1,048
836	777	779	767	902	896	918
79,396	79,396	79,396	64,348	64,348	64,348	64,348
			15,048			
<u>79,396</u>	<u>79,396</u>	<u>79,396</u>	<u>79,396</u>	<u>64,348</u>	<u>64,348</u>	<u>64,348</u>
700	700	700	700	613	613	613
667	643	649	619	598	632	663

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2014	2013	2012
ELEMENTARY SCHOOLS (continued)				
Green Valley	1958			
Square Footage		96,041	96,041	96,041
Additions				
Revised Sq Ft		<u>96,041</u>	<u>96,041</u>	<u>96,041</u>
Capacity (see note #1)		988	988	988
Enrollment		720	701	679
Jacinto City	1943			
Square Footage		95,554	95,554	95,554
Additions				
Revised Sq Ft		<u>95,554</u>	<u>95,554</u>	<u>95,554</u>
Capacity (see note #1)		864	864	864
Enrollment		828	860	792
MacArthur	1951			
Square Footage		88,864	88,864	88,864
Additions				
Revised Sq Ft		<u>88,864</u>	<u>88,864</u>	<u>88,864</u>
Capacity (see note #1)		790	790	790
Enrollment		721	730	726
North Shore	1961			
Square Footage		88,789	88,789	88,789
Additions				
Revised Sq Ft		<u>88,789</u>	<u>88,789</u>	<u>88,789</u>
Capacity (see note #1)		920	920	920
Enrollment		915	912	885
Pyburn	1952			
Square Footage		73,654	73,654	73,654
Additions				
Revised Sq Ft		<u>73,654</u>	<u>73,654</u>	<u>73,654</u>
Capacity (see note #1)		720	720	720
Enrollment		681	683	652
Woodland Acres	1954			
Square Footage		62,010	62,010	62,010
Additions				
Revised Sq Ft		<u>62,010</u>	<u>62,010</u>	<u>62,010</u>
Capacity (see note #1)		499	499	499
Enrollment		422	422	426

Table 19
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2011	2010	2009	2008	2007	2006	2005
96,041	96,041	96,041	96,041	96,041	96,041	96,041
<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>	<u>96,041</u>
988	988	988	988	988	988	988
669	621	626	635	905	961	974
95,554	95,554	95,554	95,554	95,554	95,554	95,554
<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>	<u>95,554</u>
864	864	864	864	864	864	864
822	796	817	823	841	866	878
88,864	88,864	88,864	88,864	88,864	74,338	74,338
					14,526	
<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>88,864</u>	<u>74,338</u>
790	790	790	790	790	790	790
735	780	792	776	791	813	778
88,789	88,789	88,789	88,789	88,789	88,789	88,789
<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>	<u>88,789</u>
920	920	920	920	920	920	920
854	878	851	783	1,061	984	1,000
73,654	73,654	73,654	73,654	73,654	73,654	73,654
<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>	<u>73,654</u>
720	720	720	720	720	720	720
623	644	640	645	665	641	666
62,010	62,010	62,010	62,010	62,101	62,101	59,045
						3,056
<u>62,010</u>	<u>62,010</u>	<u>62,010</u>	<u>62,010</u>	<u>62,101</u>	<u>62,101</u>	<u>62,101</u>
499	499	499	499	499	499	499
453	444	444	433	435	434	416

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2014	2013	2012
Elementary (continued)				
Tice	1981			
Square Footage		80,680	80,680	80,680
Additions				
Revised Sq Ft		<u>80,680</u>	<u>80,680</u>	<u>80,680</u>
Capacity (see note #1)		792	792	792
Enrollment		733	707	675
Purple Sage	1990			
Square Footage		92,795	92,795	92,795
Additions				
Revised Sq Ft		<u>92,795</u>	<u>92,795</u>	<u>92,795</u>
Capacity (see note #1)		747	747	747
Enrollment		503	512	572
Havard	2000			
Square Footage		102,713	102,713	102,713
Additions				
Revised Sq Ft		<u>102,713</u>	<u>102,713</u>	<u>102,713</u>
Capacity (see note #1)		890	890	890
Enrollment		679	674	684
Normandy Crossing	2004			
Square Footage		106,800	106,800	106,800
Additions				
Revised Sq Ft		<u>106,800</u>	<u>106,800</u>	<u>106,800</u>
Capacity (see note #1)		777	777	777
Enrollment		652	609	649
Shirley J Williamson	2003			
Square Footage		105,000	105,000	105,000
Additions				
Revised Sq Ft		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
Capacity (see note #1)		797	880	880
Enrollment		698	826	827
Sam Houston	2007			
Square Footage		105,000	105,000	105,000
Additions				
Revised Sq Ft		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
Capacity (see note #1)		880	871	871
Enrollment		863	827	827
Sub-Total Sq Ft. Elementary Schools		<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>

Table 19
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2011	2010	2009	2008	2007	2006	2005
80,680	80,680	80,680	80,680	80,680	80,680	80,680
<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>	<u>80,680</u>
792	792	792	792	792	792	792
637	637	664	648	631	654	742
92,795	92,795	84,495	84,495	84,495	84,495	84,495
		8,300				
<u>92,795</u>	<u>92,795</u>	<u>92,795</u>	<u>84,495</u>	<u>84,495</u>	<u>84,495</u>	<u>84,495</u>
747	747	747	747	747	747	747
594	591	576	611	737	768	781
102,713	102,713	102,713	102,713	102,713	102,713	102,713
<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>	<u>102,713</u>
890	890	890	890	890	890	890
665	675	659	698	788	810	1,004
106,800	106,800	106,800	106,800	106,800	106,800	106,800
<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>	<u>106,800</u>
777	777	777	777	777	777	777
627	655	636	688	637	679	619
105,000	105,000	105,000	105,000			
<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>			
880	880	880	880			
845	813	778	790			
105,000	105,000	105,000	105,000			
<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
871	871	871	871			
845	813	778	790			
<u>1,356,765</u>	<u>1,356,765</u>	<u>1,356,765</u>	<u>1,348,465</u>	<u>1,123,508</u>	<u>1,123,508</u>	<u>1,108,982</u>

GALENA PARK INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	Year Built	2014	2013	2012
OTHER CAMPUSES				
Becker Early Head Start				
Square Footage		9,295	9,295	9,295
Additions				
Revised Sq Ft		<u>9,295</u>	<u>9,295</u>	<u>9,295</u>
Capacity		64	64	64
Enrollment		64	64	64
PEP Center	2007			
Square Footage		9,651	9,651	9,651
Additions				
Revised Sq Ft		<u>9,651</u>	<u>9,651</u>	<u>9,651</u>
Capacity		48	48	48
Enrollment		48	48	48
Sub-Total Sq Ft. Other Campuses		<u>18,946</u>	<u>18,946</u>	<u>18,946</u>
OTHER FACILITIES				
ACT Clinic	2008			
Square Footage		3,100	3,100	3,100
Administration Building	2001			
Square Footage		81,000	81,000	81,000
Facilities & Planning/Warehouse				
Square Footage		18,456	18,456	18,456
Grounds Maintenance Dept.				
Square Footage		5,670	5,670	5,670
FFA Agricultural Facility	2002			
Square Footage		28,880	28,880	28,880
South Annex	1944			
Square Footage		5,603	5,603	5,603
Maintenance Facility	1950			
Square Footage		22,154	22,154	22,954
Stadium/Natorium	2002			
Square Footage		44,519	44,519	44,519
Transportation Department	2001			
Square Footage		17,700	17,700	17,700
Athletics Office	2002			
Square Footage		10,669	10,669	10,669
North Annex				
Square Footage		<u>2,250</u>	<u>2,250</u>	
Sub-Total Sq Ft. Other Facilities		<u>240,001</u>	<u>240,001</u>	<u>238,551</u>
GRAND TOTAL		<u>3,659,413</u>	<u>3,659,413</u>	<u>3,657,963</u>

Source: District Records

Note #1: Capacity does not include temporary buildings

Note #2: This is a specialized campus where students are enrolled in either GPHS, NHSHS, or NSHS West.

Note #3: North Shore East consists of Accelerated Center for Education, Center for Success, Central Intake, and Success Academy

Table 19
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2011	2010	2009	2008	2007	2006	2005
9,295	9,295	9,295	9,295	9,295	9,295	9,295
<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>
64	64	64	64	64	64	64
<u>64</u>	<u>64</u>	<u>64</u>	<u>64</u>	<u>64</u>	<u>64</u>	<u>64</u>
9,651	9,651	9,651	9,651	9,651	9,651	9,651
<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>	<u>9,651</u>
48	48	48	48	48	48	48
<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>
<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>	<u>18,946</u>
3,100	3,100	3,100	3,100			
81,000	81,000	81,000	81,000	81,000	81,000	81,000
17,006	17,006	17,006	17,006	9,506	9,506	9,506
5,670	5,670	5,670	5,670	5,670	5,670	5,670
28,880	28,880	28,880	28,880	28,880	28,880	28,880
5,603	5,603	5,603	5,603	5,603	5,603	5,603
22,954	22,954	22,954	22,954	22,954	22,954	22,954
44,519	44,519	44,519	44,519	44,519	44,519	44,519
17,700	17,700	17,700	17,700	17,700	17,700	17,700
10,669	10,669	10,669	10,669	10,669	10,669	10,669
<u>237,101</u>	<u>237,101</u>	<u>237,101</u>	<u>237,101</u>	<u>226,501</u>	<u>226,501</u>	<u>226,501</u>
<u>3,656,513</u>	<u>3,652,044</u>	<u>3,652,044</u>	<u>3,643,744</u>	<u>3,262,645</u>	<u>3,262,645</u>	<u>3,224,919</u>

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GALENA PARK INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
August 31, 2014

Exhibit L-1

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? – Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 51,690,280

DO NOT PRINT