



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2021
Houston, Texas

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Letter to the Spring Community

03

SPRING ISD POPULAR ANNUAL FINANCIAL REPORT 2021

We are proud once again to present the Spring Independent School District's Popular Annual Financial Report (PAFR) for the year ending June 30, 2021. The aim of this report is to provide our citizens and taxpayers a clear and concise understanding of how tax dollars are being utilized to educate the students of Spring ISD.

The PAFR summarizes the financial activities and operating results of the district and was gathered from the financial information in our audited 2021 Annual Comprehensive Financial Report (ACFR). The ACFR is a more comprehensive document that is prepared in conformance with Generally Acceptable Accounting Principles (GAAP) and was audited by Whitley Penn, LLP.

Our mission is to ensure good stewardship of district resources to ensure tax dollars are directed into the classroom where they will have the most impact on teaching and learning. As always, our work is guided by a commitment to staying within our budget while focusing on increasing student achievement.

While the underlying accounting methods are similar to the ACFR, the PAFR simplifies reporting by not including all segregated funds, required presentations, and disclosure of all financial and nonfinancial events in the notes to the financial statements. Citizens who want to review full-disclosure financial statements may obtain a copy of the ACFR from the Financial Services Division or may look at it online at SpringISD.org/FinancialTransparency

We would like to thank the Spring ISD Board of Trustees for its work to increase public confidence through transparent communications with our community. We are grateful for the support of our taxpayers and want to reiterate our commitment to accountability as good financial stewards, which is an essential requirement of how we do business.

We welcome your questions or comments regarding this report. Please visit SpringISD.org and use the elevate tool to provide your feedback.

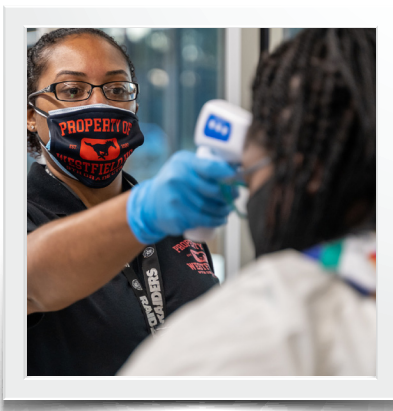
Respectfully,



Rodney E. Watson, Ph.D.
Superintendent of Schools



Ann Westbrooks, CPA, RTSBA
Chief Financial Officer



Spring

INDEPENDENT SCHOOL DISTRICT

This school year, the Spring ISD launched a continuation of its successful Every Child 2020 Plan. The new plan — Every Student, Every Teacher, Every Day — lays out six key priorities: Student Outcomes, Equity, Opportunities, Leadership, Well-Being and Engagement. Within each priority there are also key imperatives and commitments that establish the district's focus on preparing each student for success.

This diverse district serves over 33,000 prekindergarten through 12th-grade students, providing a range of programs to meet individual needs, including special education, gifted and talented services, bilingual instruction and English as a Second Language. A strong core curriculum is enriched with opportunities for students to take part in award-winning athletics, art, dance, music and theater programs.

The district's 43 campuses include three comprehensive high schools classified as 6A, an early college academy and a career academy where students take courses aligned with their career interests. There are also three ninth-grade centers in the district. Additionally, all three of the district's comprehensive high schools offer career pathways, which include specialization pathways that are unique to each school. The district's eight middle schools include two specialty schools and a campus newly designated as an International Baccalaureate Middle Years Programme.

Spring ISD offers both choice and program opportunities for students. The goal is to ensure families can find the best fit for their student, whether it's taking part in a specialty program at their neighborhood campus or applying to one of the district's six schools of choice.

The opportunities to explore different interests and careers are extensive and distinguish Spring ISD as a district of choice that prepares students for success, no matter what path they choose to pursue.



Mission

Spring Independent School District prepares students to be lifelong learners, critical thinkers, and responsible citizens who display good character – ready to contribute, compete, and lead in today's global society.



Vision

Spring Independent School District will be a district of choice known for high quality academics with innovative and specialized programs that meet the needs of all students in a positive learning environment.

SPRING ISD AT-A-GLANCE



Student Enrollment
33,537

Early Childhood Education: 75
Prekindergarten: 1,439
Kindergarten: 2,236
Elementary: 12,471
Middle: 7,571
High School: 9,745

Campuses **43**



Elementary
Schools

26

Middle
Schools

9

Ninth-grade
Centers

3

High
Schools

5

Student Ethnicity

- African-American: **38.6%**
- American Indian/Alaskan: **1.1%**
- Asian: **2.3%**
- Hawaiian/Pacific Islander: **0.3%**
- Hispanic: **49.6%**
- White: **6.0%**
- Two or More: **2.1%**

Additional Student Information

- **87.5%** are Economically Disadvantaged
- **27.9%** are Limited English Proficient
- **58.4%** are At-Risk



District Budget Priorities

- Student Outcomes
- Equity
- Increased Opportunities and Choice
- Leadership
- Student and Staff Well-being
- Community Engagement



Source: Texas Education Agency 2020-21 PEIMS Report

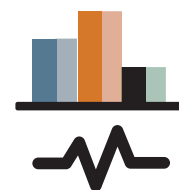
ACADEMIC PERFORMANCE MEASURES

Given the impact of COVID-19, all districts and schools received a label of Not Rated: **Declared State of Disaster** for their 2021 accountability ratings.

SPRING ISD STATISTICS

	2017	2018	2019	2020	2021
Enrollment	36,654	36,079	35,348	35,284	33,537
Teacher FTE	2,152	2,221	2,164	2,157	2,258
Average Salary	\$58,334	\$59,324	\$59,578	\$61,312	\$62,929
Student to Teacher Ratio	17.03	16.24	16.33	16.36	14.86
Operating Cost Per Avg. Daily Attendance	\$10,213	\$10,966	\$11,154	\$11,990	\$13,354
% of Students in Free/Reduced Lunch Programs	68.5%	69.4%	70.0%	82.6%	87.5%

Source: Texas Education Agency, Texas Performance Reporting System and PEIMS



DISTRICT LEADERSHIP

Board of Trustees

The seven-member, locally elected Board of Trustees is empowered by the Texas Legislature to govern and manage the public schools of Spring ISD.



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POSITION 5



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POSITION 6



Natasha McDaniel

POSITION 7

Superintendent's Cabinet



Rodney E. Watson, Ph.D.

Superintendent of Schools



Mark Miranda

*Executive Chief of District
Operations*



Ann Westbrook, CPA

Chief Financial Officer



Julie F. Hill, J.D.

*Chief of Human Resources and
Human Capital Accountability*



Kenneth Culbreath

Chief of Police



Lupita Hinojosa, Ed.D.

Chief of Innovation and Equity



Jeremy Binkley

General Counsel

WHERE DID THE GENERAL FUND REVENUES COME FROM?

The District received \$316,388,560 in revenue for the general fund, a decrease of 0.34% from the previous years. The general fund is the District's operating fund and accounts for 70.93% of the total revenues. The District's revenues come from local, state, and federal sources with the state revenues being the primary source.

Resources from Operating Funds	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Local and Intermediate Sources	\$139,549,058	\$137,846,265	\$140,010,066
State Revenues	181,925,312	173,189,856	171,554,869
Federal Revenues	11,524,138	6,433,183	4,823,625
Total Revenues	\$332,998,508	\$317,469,304	\$316,388,560

LOCAL SOURCES 44.25%



Local revenues increased by 1.6% from the previous fiscal year due to an increase in the taxable home values from prior year. Local revenues include property taxes, earnings on investments, tuition and fees.

STATE SOURCES 54.22%



State revenues decreased by 1% from the previous fiscal year. The decrease is due to a portion of the Foundation School Program (FSP) revenue being funded through the Elementary and Secondary School Emergency (ESSER) as part of the Coronavirus Aid, Relief and Economic Securities (CARES) Act. Also, due to lower student enrollment as a result of the ongoing COVID-19 Pandemic.

FEDERAL SOURCES 1.53%



Revenues received from federal sources decreased by 25% as a result of lower payments received in fiscal year 2021 for School Health and Related Services (SHARS).

PROPERTY VALUES AND TAXES

WHAT ARE PROPERTY TAXES?

Property taxes (also called ad valorem taxes) are locally assessed taxes. The Harris County Appraisal District appraises property located in the Spring ISD boundaries, while the District (a local taxing unit) sets tax rates and collects property taxes based on those values.

PROPERTY TAXABLE VALUES

The 2020 tax year experienced an increase in taxable values of \$1.1 billion or 7.5% increase over the 2019 tax year. The Harris County Appraisal District is in charge of certifying the taxable values of our District.

TAX RATE

The tax rate of the District for Fiscal Year 2020 was \$1.3843 per \$100 of assessed value, a five-cent decrease. Of this tax, \$0.9343 is used for the maintenance and operations and \$0.45 to service debt and is collected in the debt service fund.

TAX COLLECTIONS

The Tax Office was able to collect \$205,055,381 or 97.95% of the tax levied in the 2020 tax year.

TAX RATE OVER THE LAST FIVE YEARS

FISCAL YEAR ENDED JUNE 30,	TAX YEAR	TAX RATE	TAXABLE VALUES (IN BILLIONS)	NET TAX LEVY (IN MILLIONS)	% COLLECTED WITHIN FISCAL YEAR
2021	2020	\$1.3843	\$15.4	\$209.4	97.95%
2020	2019	\$1.4300	\$14.3	\$199.6	99.31%
2019	2018	\$1.5100	\$13.1	\$192.1	99.42%
2018	2017	\$1.5100	\$12.6	\$184.6	99.33%
2017	2016	\$1.4700	\$11.7	\$167.5	99.57%

* Tax rates are per \$100 of assessed value

TOP TAXPAYERS

TAXPAYER	PROPERTY TYPE	2020 APPRAISED TAXABLE VALUE	% OF TOTAL VALUATION
PALMETTO TRANSOCEANIC LLC (EXXON MOBIL)	OIL & GAS	\$1,107,328,996	7.18%
10000 ENERGY DRIVE OWNER LP	ENERGY	177,192,431	1.15%
HP PLAZA SPV LLC	REAL ESTATE	131,462,610	0.85%
SPRINGWOODS 4A, INC.	REAL ESTATE	108,511,206	0.70%
CENTERPOINT ENERGY, INC.	ELECTRIC UTILITY	105,352,521	0.68%
EAN HOLDINGS LLC	REAL ESTATE	75,264,014	0.49%
LIBERTY PROPERTY	REAL ESTATE	74,618,027	0.48%
HOUSTON NW MANAGER LLC (4)	HEALTHCARE	73,460,089	0.48%
SPRINGWOODS REALTY, INC.	REAL ESTATE	67,925,459	0.44%
CARDINAL HEALTH 200, INC.	HEALTHCARE	63,613,412	0.41%
TOTAL		\$1,984,728,765	12.86%
TOTAL ASSESSED VALUE WITHIN SPRING ISD'S BOUNDARIES		\$15,414,173,041	

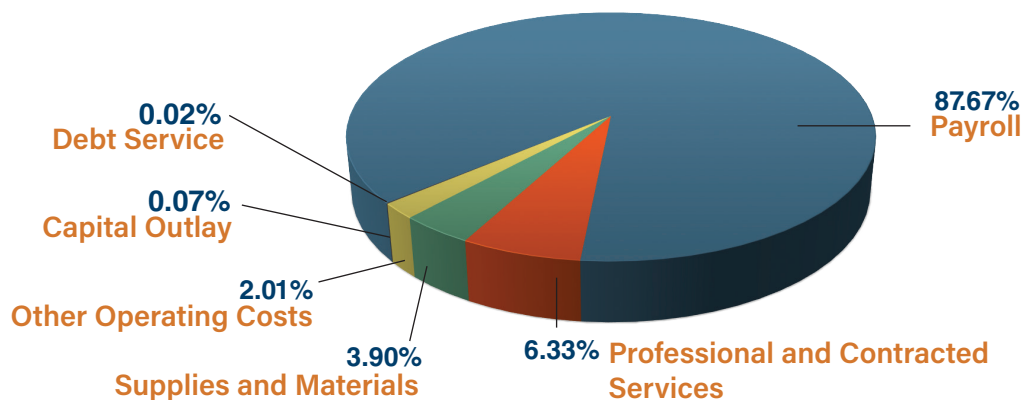
HOW WAS THE GENERAL FUND MONEY SPENT?



The District had \$336,343,175 in general fund expenditures during fiscal year 2021, an increase of \$26 million or 8.39% from prior fiscal year. The increase was primarily due to a general pay increase of 2.5% and a one-time retention supplement paid to all employees. Also, a portion of salary expenditures in the previous year were funded by ESSER.

General Fund Expenditures by Object

\$336,343,175



Payroll 87.67%



Costs of \$294,880,890 include the gross salaries or wages and benefit costs for employee services.

Debt Service 0.02%



Costs of \$58,518 was for principal and interest payments related to a capital lease obligation.

Professional and Contracted Services 6.33%



Costs of \$21,301,464 were used for services rendered to the school district by firms, individuals, utility companies, and/or other organizations.

Capital Outlay 0.07%



Capital outlay of \$239,753 was spent on building improvements, furniture, and other equipment.

Supplies and Materials 3.90%



Costs of \$13,119,903 include testing materials, fuel to transport children, and other general supplies and materials.

Other Operating Costs 2.01%



Costs of \$6,742,647 include student and staff travel fees, and property insurance.

General Fund Expenditures by Function

Instruction 58.93%



This function is used for activities that deal directly with the interaction between teachers and students.

Instructional Resources and Media Services 0.86%



These costs are directly and exclusively used for resource centers, establishing and maintaining libraries, and other major facilities dealing with educational resources and media.

Curriculum and Staff Development 1.26%



These are expenses used to aid instructional staff in planning, developing and evaluating student learning experiences.

Instructional Leadership 2.59%



These are expenditures directly used for managing, directing, supervising and providing leadership for staff who provide general and specific instructional services.

School Leadership 7.25%



These costs are used to direct and manage a school campus and include activities performed by campus administrative staff.

Guidance and Counseling Services 4.08%



These are costs for psychological services, identification of individual characteristics, testing, educational counseling, student evaluation and occupational counseling.

Health Services 1.18%



These are expenditures used for providing physical health services such as appropriate medical, dental, and nursing services to students.

Student (Pupil) Transportation 3.97%



These are expenditures incurred for transporting students to and from school.

Co-curricular Activities 1.83%



These are expenditures for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or non-competitive setting.

General Administration 3.59%



These are costs associated with the overall general administrative support services of the school district.

Plant Maintenance and Operations 9.28%



These are expenditures for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair and insured.

Security and Monitoring Services 1.98%



These are expenditures for activities to keep students and staff safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.

Data Processing Services 2.02%



These costs are for computer facility management, computer processing, systems development, analysis and design, and those interfacing costs associated with general types of technical assistance to data users.

Other Expenditures 1.18%



Consists of costs related to social work services, community services, capital lease principal and interest payment, payment to other governmental entities, and costs for acquiring, equipping, constructing, and/or making additions to real property and school sites.

COMPARISON OF GENERAL FUND EXPENDITURES BY FUNCTION

EXPENDITURES BY FUNCTION	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021
Instruction	\$180,758,688	\$180,851,355	\$198,219,576
Instructional Resources and Media Services	2,768,316	2,718,271	2,883,899
Curriculum and Staff Development	3,398,233	3,539,771	4,235,782
Instructional Leadership	9,063,398	8,993,560	8,694,135
School Leadership	21,673,672	23,230,676	24,399,096
Guidance and Counseling Services	10,960,414	12,709,201	13,716,655
Social Work Services	576,023	564,413	578,041
Health Services	2,637,983	2,758,312	3,956,990
Student (Pupil) Transportation	14,964,661	13,051,767	13,360,045
Co-curricular Activities	5,840,549	5,333,842	6,147,752
General Administration	11,707,340	12,057,786	12,086,416
Plant Maintenance and Operations	26,603,525	27,924,606	31,224,988
Security and Monitoring Services	5,949,071	6,181,961	6,669,293
Data Processing Services	6,565,377	6,611,305	6,795,794
Community Services	578,236	621,334	550,830
Debt Service:			
Principal on long-term debt	37,699	46,891	55,032
Interest on long-term debt	9,691	6,990	3,486
Capital Outlay:			
Facilities Acquisition and Construction	1,073,144	700,038	215,916
Intergovernmental Charges:			
Fiscal Agent/ Shared Services Arrangement	13,291	2,980	
Alternative Education	64,800	17,000	59,400
Payments to Tax Increment Fund	695,707	919,413	1,003,490
Other Intergovernmental Charges	1,411,069	1,466,198	1,486,559
TOTAL EXPENDITURES	\$307,350,887	\$310,307,670	\$336,343,175



DEBT SERVICE FUND (Payment of Debt)

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The District issues general obligation bonds to provide funds for the construction and equipment of school facilities, to purchase new school buses, and to refund general obligation bonds. Debt service requirements are payable solely from future revenue of the Debt Service Fund which consist principally of property taxes collected by the District and state funding.

The district received revenues of \$69.3 million during the fiscal year; **\$68.3 million and \$1 million**, in local and state revenues, respectively.

As of fiscal year ending June 30, 2021 the District had a balance of **\$672.7 million in general obligation bonds**.

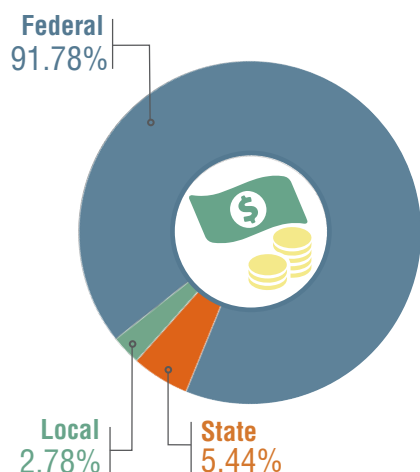
GENERAL OBLIGATION AND REFUNDING BONDS PAYABLE AT JUNE 30, 2021

DATE SERIES ISSUED	SERIES MATURING THROUGH	INTEREST RATES %	ORIGINAL ISSUANCE	OUTSTANDING BALANCE
2012	2027	3.000 - 5.000	\$21,410,000	\$11,545,000
2013	2027	4.000 - 5.250	38,110,000	18,185,000
2013A	2029	3.250 - 5.000	33,005,000	20,375,000
2014	2030	3.250 - 5.000	76,865,000	69,760,000
2015	2033	4.000 - 5.000	136,870,000	114,665,000
2016	2034	3.500 - 5.000	80,120,000	64,135,000
2017	2042	4.000 - 5.000	198,715,000	185,625,000
2017A	2029	3.000 - 5.000	53,615,000	53,615,000
2018	2033	4.000 - 5.000	10,385,000	7,750,000
2019	2043	4.000 - 5.000	98,070,000	98,070,000
2020	2026	5.000	29,425,000	28,940,000
			\$776,590,000	\$672,665,000

PRINCIPAL AND INTEREST PAYMENT OBLIGATIONS BY YEAR

FISCAL YEAR ENDING JUNE 30, 2021	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE
2022	\$34,930,000	\$31,146,469	\$66,076,469
2023	36,745,000	29,379,519	66,124,519
2024	38,575,000	27,515,394	66,090,394
2025	40,470,000	25,554,269	66,024,269
2026	42,470,000	23,507,919	65,977,919
2027-2031	237,300,000	84,012,746	321,312,746
2032-2036	114,220,000	41,065,100	155,285,100
2037-2041	82,510,000	20,362,675	102,872,675
2042-2044	45,445,000	2,503,725	47,948,725
TOTAL	\$672,665,000	\$285,047,816	\$957,712,816

SPECIAL REVENUE FUNDS



Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. During the fiscal year the District received \$60.3 million in revenues and spent \$61.4 million.

Local revenues received of \$1.7 million include \$0.8 million from school sponsored activities and \$0.4 million generated from food sales.

Federal revenues received of \$55.4 million include \$17.6 million or 32% to fund the Nutritional School Breakfast and Lunch Program, and \$15.1 million or 27% were received by ESEA Title I, Part A Fund.

State revenues received of \$3.2 million include \$2.4 million from Instructional Materials fund.

CAPITAL PROJECTS FUND

Total Capital Projects Fund is used to account for proceeds from the sale of general obligation bonds and other financial resources. The Capital Projects Fund expenditures for the fiscal year were \$41.1 million, which includes the completion of three ninth-grade centers and other building renovations.

The ending fund balance in the Capital Projects Fund at the close of the fiscal year was \$16.4 million.



▲ DEKANEY 9TH GRADE CENTER



▲ SPRING 9TH GRADE CENTER



WESTFIELD 9TH GRADE CENTER ▶

ACCOMPLISHMENTS OF THE OFFICE OF FINANCIAL SERVICES

Spring Independent School District's Office of Financial Services is charged with the maximization of fiscal resources and utilization of sound financial management.

Our mission is to support Spring ISD and our community. One way we can achieve this is providing transparency through accounting, accounts payable, budget, business systems, cash management, payroll and purchasing. Financial transparency is an ongoing goal for Spring ISD.

Some of the accomplishments for the fiscal year ending June 30, 2021, include:

- No findings of questioned costs in the annual audit of fiscal operations.
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.
- Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting.
- Superior Achievement under School FIRST (Financial Integrity Rating System of Texas) for the Fiscal year 2019-2020.
- Maintained a Standard & Poor's credit rating of AA- and Moody's rating of Aa2.
- Texas Association of School Business Officials Purchasing Award of Merit and Award of Excellence in Financial Management.
- National Procurement Institute, Inc. Annual Achievement of Excellence in Procurement.
- ASBO International Pathway to the Meritorious Budget Award.

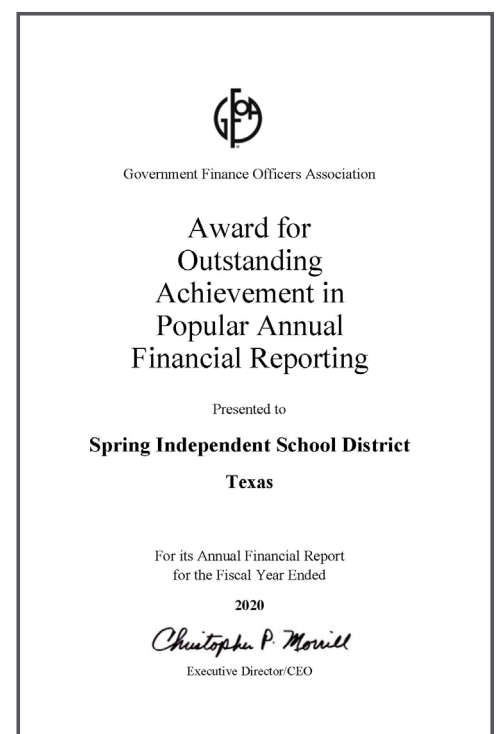


AWARD FOR OUTSTANDING ACHIEVEMENT

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Award for Outstanding Achievement in Popular Financial Reporting to Spring Independent School District for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

In order to receive an Award for Outstanding Achievement in Popular Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Financial Reporting is valid for a period of one year only. Spring Independent School District has received a Popular Award for the last five consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.





We would like to acknowledge the following individuals for their assistance in the development of this report:

Ann Westbrooks, CPA, RTSBA, Chief Financial Officer

Susy Morales, CPA, MBA, Director of Finance

Sara Butler, Executive Director of Communications

Georgina Garza, Bilingual Graphic Design Specialist

Individuals who wish to review the full disclosure financial statements should refer to the School District's Comprehensive Annual Financial Report available at www.springisd.org/transparency or by contacting the Office of Financial Services at 281-891-6077.



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Spring Independent School District is an equal opportunity employer. The Board of Trustees and its agents, officers and staff members shall not discriminate on the basis of gender, race, disabling condition, age, color, religion, national origin, military status, or any other legally protected status in making decisions regarding staff members or students.



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