

ANNUAL COMPREHENSIVE FINANCIAL REPORT



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Spring Independent School District
For the Fiscal Year Ended June 30, 2023
Houston, Texas

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Spring Independent School District

16717 Ella Blvd.
Houston, TX 77090

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2023

Prepared by the Office of Financial Services

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SPRING INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY Section



INTRODUCTORY Section

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16717 ELLA BLVD.
HOUSTON, TEXAS 77090

281-891-6077

www.springisd.org

November 14, 2023

The Honorable Board of Trustees
Spring Independent School District
16717 Ella Blvd.
Houston, Texas 77090

Dear Board Members and Citizens:

The Annual Comprehensive Financial Report of the Spring Independent School District (the “District”, “Spring ISD” or “SISD”), Houston, Texas, for the fiscal year ended June 30, 2023, is submitted herewith. The Annual Comprehensive Financial Report is management’s report of financial operations to the Board of Trustees (the Board), taxpayers, grantor agencies, employees, the Texas Education Agency (TEA), and other interested parties. The government-wide financial statements in this report provide an overview of the District’s governmental activities, while detailed fund financial statements describe specific activities of each fund group used in accounting for the District’s financial transactions. This report was prepared by the District’s Office of Financial Services in accordance with generally accepted accounting principles (GAAP) and reporting standards as promulgated by the Governmental Accounting Standards Board (GASB).

Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that the data, as presented, is accurate in all material respects; that information is presented in a manner designed to set forth fairly the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial activities have been included. In order to provide a reasonable basis for making these representations of responsibility, management of the District has established a comprehensive internal control framework that is designed to protect the District’s assets from loss, theft or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Whitley Penn, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involves examining, on a test basis, evidence

supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special need 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 the 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.

Reporting Entity

An act of the Thirty-Eighth Legislature of the State of Texas in 1923 provided the statutory authority for the creation of independent school districts in the State of Texas. The District was established and incorporated in 1935 by the combination of two separate school districts, the Spring School District and the Harrell School District. As an independent school district, a seven-member board of trustees elected from residents of the District constitutes the governing body. Based on legislative authority codified in the Texas Education Code, the trustees (1) have exclusive power to manage and govern the District; (2) can acquire and hold real and personal property; (3) shall have power to levy and collect taxes and to issue bonds; (4) can contract for appointed officers, teachers, and other personnel as well as for goods and services; and (5) have the right of eminent domain to acquire real property. The District is not included in any other governmental reporting entity and the District is not financially accountable for any other organizations; therefore, no component units are included within the reporting entity.

As required by GAAP, the financial statements of the reporting entity include those of the District (the primary government), an independent reporting entity clearly within the criteria established by GASB.

The District encompasses approximately 58 square miles and is located in northern Harris County, Texas, approximately 20 miles north of downtown Houston. Interstate Highway 45 (I-45) traverses the District north to south, and Farm-to-Market Road 1960 (FM 1960) bisects the District east to west approximately at its midpoint. The unincorporated community of Spring is located in the District.

The District's system presently includes twenty-six elementary schools, seven traditional middle schools, two school-of-choice middle schools, three traditional high schools and three ninth-grade centers, a school-of-choice high school, a virtual school, and an early college academy. The ages of the school buildings range from less than one year to fifty-five years.

The District is one of twenty-one public school districts located in Harris County. It provides a program of public education from pre-kindergarten through grade twelve. The purpose and responsibility of the District is to provide a thorough and efficient educational system for the children 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 the regular educational program, the District offers programs in areas such as career and technical education, special education, gifted and talented, bilingual, and compensatory education. All District schools are fully accredited by the TEA and the Southern Association of Colleges and Schools.

The District's average daily attendance (ADA) has been inconsistent over the last few years as the district continues to recover from the COVID-19 pandemic. ADA was 29,782 in 2023 and 28,662 in 2022, a increase of 1,120 and a decrease of 1,802 students respectively.

Long-term Financial Planning

The enrollment projection for 2023-2024 anticipates a flat enrollment. Currently, there are 587 students per square mile in the District.

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures. The budget must be adopted by the Board of Trustees at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts a legally authorized appropriated budget for the General Fund, Debt Service Fund, and Child Nutrition Fund. Prior to July 1st, the budget is legally enacted through passage of a resolution by the Board. The appropriated budget is prepared by fund, function, and campus/department. Transfers of appropriations between campuses/departments require the approval of the District's management. However, transfers of appropriations between functions require the approval of the Board as recommended by the Superintendent. The District's approach to operating in a restricted funding environment with increasing academic standards has been to ensure that the budget process is led by data driven decisions and guided by the Five-Year Strategic Plan. The major budget priorities are to ensure financial stability in an ever-changing economic environment while providing engaging learning opportunities for staff and students.

Organization Purpose

Vision Statement

This statement reads, "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."

Mission Statement

The mission of the Spring Independent School District is to prepare 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.

Guiding Principles

Updated in 2022, the district's guiding principles are a set of assumptions or beliefs that focus the work of all leaders in the district. Any and every action outlined in the strategic plan can be traced back to these guiding principles.

1. Every educator will hold themselves accountable to high-quality teaching and promoting a culture of literacy across all disciplines.
2. Every employee will support students to learn in safe and affirming environments.
3. Every school and department will strategically adapt based on the results and community input.
4. Every district resource will center on student learning with a focus on equity and accountability.

Core Values

- We base our decisions on what is best for our students.
- We strive for excellence in all we do.
- We build trust through integrity and lead by example.
- We communicate openly.
- We value diversity and treat everyone with dignity and respect.
- We win as a team.

Graduate Portrait

Every student will be:

A lifelong learner, critical thinker and responsible citizen who displays good character – ready to contribute, compete and lead in today's global society.

Equity

We will champion **Equity** explicitly and consistently in the way we serve students, design supports, and allocate resources. It is the underlying, uniting thread woven through all the work we do in Spring.

North Star Goal

By 2027, Spring ISD will increase the percentage of students in A/B schools from 27% to 50% and decrease the number of students in D/F schools from 46% to 0%. In other words, by 2025, Spring ISD will increase the number of A/B campuses from 12 schools to 19 schools and decrease the number of schools that score D/F from 16 to 0.



Strategic Plan Goals

- **EQUITY:** We will increase the equitable allocation of resources in order to improve equitable practices.
- **STUDENT OUTCOMES:**
 - We will increase the percentage of students achieving growth and meeting or exceeding grade level expectations on standards-based assessments.
 - We will increase the number of students graduating Spring ISD college and career ready.
- **OPPORTUNITIES:** We will increase the percentage of students successfully enrolling in and completing high quality specialty programs and pathways in Spring ISD.
- **LEADERSHIP:** We will increase the number of positions filled with high-quality, developed staff that are demographically representative of the student body.
- **WELL-BEING:** We will increase the percentage of staff and students that report an improved feeling of physical, emotional, and digital safety.
- **ENGAGEMENT:** We will increase the percentage of families that feel a sense of belonging in Spring ISD.

Education Foundation

The District receives support from the Spring Education Foundation (the Foundation), a non-profit organization. The Foundation seeks funds to support initiatives related to the District's Five-Year Strategic Plan. The goal of the Foundation is to raise funds for teacher initiative projects and for campus initiative projects that attempt to improve student achievement and success. Grant awards are up to \$1,000 for teacher or classroom projects, up to \$2,000 for campus teams or department, and up to \$5,000 for District initiated projects or programs. During 2022-2023, grants were awarded totaling \$23,213 to improve services to students. The Foundation has awarded over \$1,200,000 in grants since it began in 1993. The Foundation does not meet the criteria for inclusion in the District's financial statements under the provisions of GASB Statement No. 39.

Economic Condition and Outlook

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.

The Houston metropolitan area ranks as the sixth-largest metropolitan area in the country. Demographically and economically, the region has rapidly diversified into a cosmopolitan, international center of business and industry. The District must be prepared to meet the challenges of educating an increasingly heterogeneous student population. Furthermore, in light of the recent growth of service-sector jobs in the Houston area, these children must be prepared for careers requiring high-level skills in mathematics, science, and technology in addition to solid reading and writing skills.

The COVID-19 pandemic created global disruptions beginning in early spring 2020 and is

currently ongoing. In an effort to effectively manage the outbreak, restrictions were implemented which caused businesses and schools to close for an extended period of time. Though most restrictions have been lifted, several businesses including the education sector have struggled to return to pre-pandemic operations. The impact of the closures and restrictions will be felt for many years to come and will leave a lasting impression on the world's economy. Due to the unprecedented uncertainty of the length and duration of the pandemic, long-term projections related to the economic condition and outlook will be challenging to predict.

Local Economy

The District is primarily commercial in character with numerous shopping centers, automobile dealerships, hotels and combination business park/multi-family developments that have been built along I-45 and FM 1960. ExxonMobil's state-of-the-art complex is located on a 385-acre wooded site within the boundaries of Spring ISD. It contains multiple low-rise office buildings, a laboratory, conference and training centers and facilities such as child care, a wellness center and other employee amenities. The campus houses more than 10,000 ExxonMobil personnel devoted to energy exploration, refining, chemicals, corporate law, finance, and other aspects of the business. With a value of over \$1 billion in tax year 2022, the ExxonMobil campus makes up 6.00% of the District's tax base.

The following is a summary of the tax base by category for fiscal years 2023 and 2022:

Type of Property	2023		2022	
	Amount	%	Amount	%
Residential	\$9,825,843,037	44.60%	\$8,287,672,440	43.63%
Commercial, Industrial, and Multi-Family	11,463,512,556	52.02%	10,043,197,921	52.88%
Acreage	85,924,818	0.39%	69,237,209	0.36%
Vacant Lots and Tracts	436,190,447	1.98%	397,595,313	2.09%
Utilities	209,066,128	0.95%	184,390,964	0.97%
Mineral Reserves	14,312,445	0.06%	13,375,296	0.07%
Total Assessed Value	22,034,849,431	100%	18,995,469,143	100%
Less: Exemptions	(3,482,726,408)		(2,767,505,532)	
Actual Taxable Value	<u>\$18,552,123,023</u>		<u>\$16,227,963,611</u>	

The percentage mix of property values by category in the District has been consistent over the past few years.

Residential Properties

For the 2023 fiscal year, the Harris County Appraisal District listed 46,641 single-family residences. This compares to 45,388 dwellings in this category for last year. Developers continue to develop new subdivisions throughout all geographic areas. The 1,253 new residences occurred throughout the District.

The average actual taxable value of the residential property in the 2023 fiscal year was \$176,417 which compares to \$158,486 in the 2022 fiscal year. This represents an 11.31% increase in the average actual taxable home value from the prior year. During the 2023 fiscal year, the assessed value for residential properties increased \$1,538,170,597 or 18.56% over the previous year.

Commercial, Industrial and Multi-Family Properties

We have seen an increase in commercial growth due to market value increases in most property types including multi-family, retail multi-occupancy, convenience food market and neighborhood shopping centers. During the 2023 fiscal year, the assessed value for commercial properties increased \$1,420,314,635 or 14.14% over the previous year.

Acreage, Vacant Lots and Tracts

The value of acreage in the District increased. The total number of vacant lots continuously changes due to new subdivision sections.

Utilities

The assessed value for utilities increased by \$24,675,164 or 13.38%. The increase was primarily caused by the increase in the value of railroads, pipelines and electric companies.

Mineral Reserves

The assessed value for the various mineral reserves experienced an increase of \$937,149 or 7.01% over the previous year primarily due to revaluation and new mineral leases.

Financial Reporting Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The District received the Association of School Business Officials' (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2022. This award certifies that the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Excellence Program's requirements and we are submitting it to the ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the dedicated services of the entire staff of the Office of Financial Services. Also, we would like to express our appreciation to other divisions, departments, schools, and individuals who assisted in its preparation. Moreover, we wish to thank and express appreciation to the administrators and other employees of the District for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

Respectively submitted,



Lila Murray, CPA, MBA
Director of Accounting
Office of Financial Services



Ann Westbrook, CPA, RTSBA
Chief Financial Officer
Office of Financial Services



Lupita Hinojosa, Ed.D.
Superintendent of Schools

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Spring Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Spring Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

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



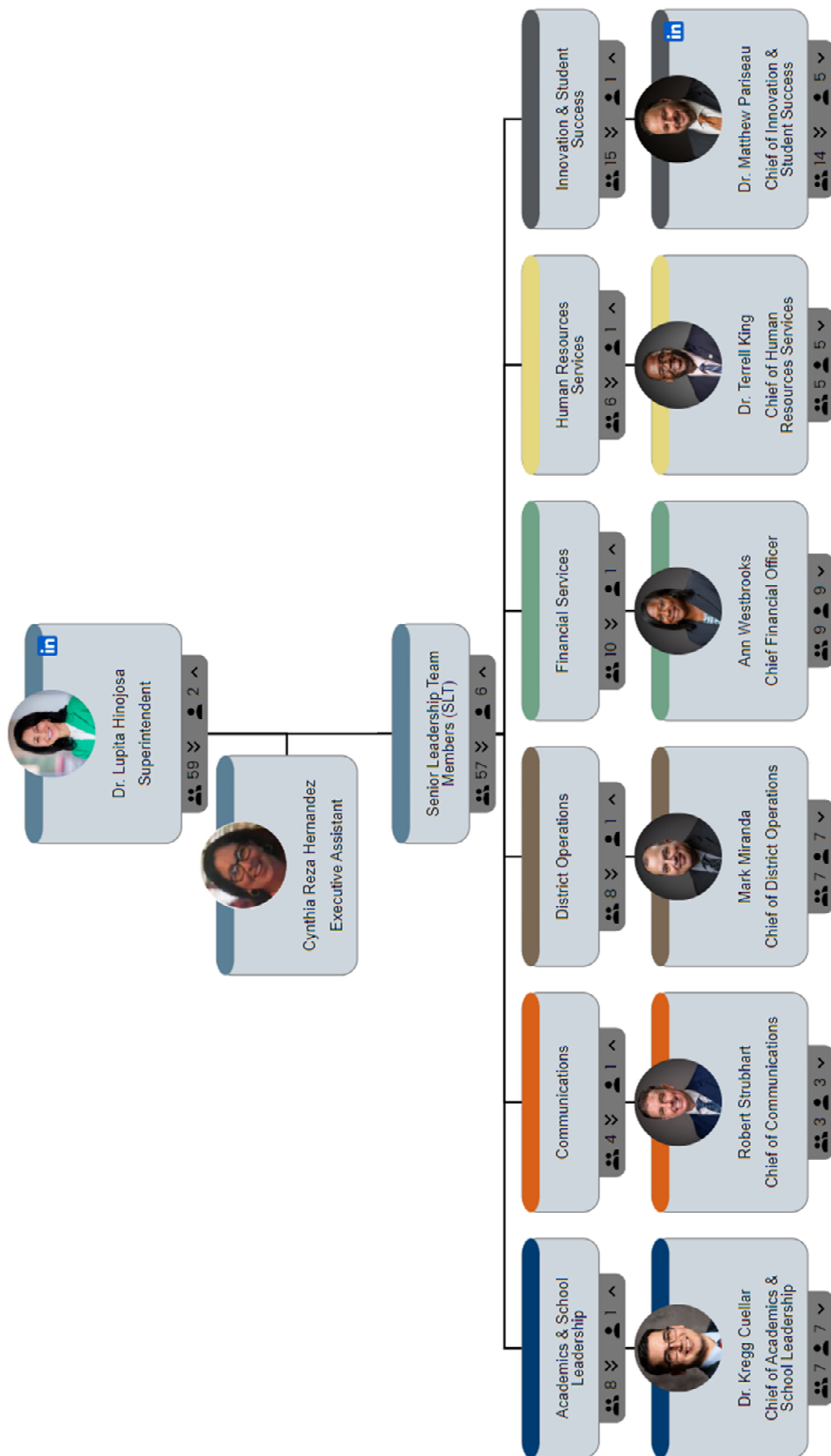
A handwritten signature in black ink, reading 'John W. Hutchison'.

**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**

Spring Independent School District Organizational Chart 2022-2023



**SPRING INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS**

BOARD OF TRUSTEES

Justine Durant, President
Regional Director, Cigna Healthcare

Winford Adams Jr, Vice President
Harris County Department of Education Public Information and Policy Manager

Kelly P. Hodges, Secretary
Regional Director for the Gulf Coast, Coast Guard Foundation

Rhonda Newhouse, Assistant Secretary
Field Supervisor of Principals and Counselor Certification Internship at Prairie View A&M University

Dr. Deborah Jensen, Member
Retired STEM Professional Development Program Leader

Carmen Correa, Member
Sr. Scenario Desk Analyst, InterLinc Mortgage Services, LLC

Natasha McDaniel, Member
Founder, CEO, and Family Literacy Coach, Lit for Life, LLC

ADMINISTRATION

Dr. Lupita Hinojosa, Superintendent of Schools

Mark Miranda, Chief Operations Officer

Kregg Cuellar, Ed.D., Chief of Academics and School Leadership

Shane Strubhart, Chief of Communications

Ann Westbrooks, CPA, Chief Financial Officer

Terrell King, Ed.D., Chief of Human Resources

Matt Pariseau, Ed.D., Chief of Innovation

CONSULTANTS AND ADVISORS

Whitley Penn, L.L.P., Independent Auditors

Thompson & Horton, L.L.P., Legal Counsel

Perdue, Brandon, Fielder, Collins & Mott, L.L.P., Tax Attorneys

Post Oak Municipal Advisors, LLC, Financial Advisors

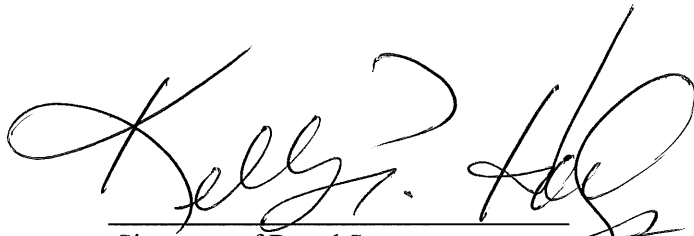
CERTIFICATE OF BOARD

Spring Independent School District
Name of School District

Harris
County

101-919
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on the 14th day of November, 2023.



Signature of Board Secretary



Signature of Board President



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FINANCIAL
Section



FINANCIAL Section

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Spring Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Spring Independent School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

To the Board of Trustees
Spring Independent School District
Houston, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements and required Texas Education Agency (TEA) schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and required TEA schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Houston, Texas
November 14, 2023

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SPRING INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Spring Independent School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements.

Financial Highlights

On the government-wide financial statements, the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources of the District at June 30, 2023, by \$16,638,992. Of this amount, (\$148,282,533) is unrestricted.

At June 30, 2023, the District's governmental funds financial statements reported combined ending fund balances of \$513,172,351. Of this amount, \$10,193,642 is non-spendable in the General Fund, \$500,000 is committed, \$43,865,982 is assigned and \$37,862,584 is unassigned and available to spend at the district's discretion.

At the end of the current fiscal year, total fund balance for the General Fund was \$92,422,208 or 27.54% of total General Fund expenditures.

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 basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

All the District's services are reported in the government-wide financial statements, including instruction, student transportation, general administration, school leadership, and child nutrition services. Property taxes, state and federal aid, and interest and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported here.

The government-wide financial statements are designed to provide readers 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 and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position.

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. Therefore, 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 vacation leave).

Fund Financial Statements

The District uses fund accounting to record and report specific sources of funding and spending for particular purposes. 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 two categories: governmental funds and fiduciary funds. The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the District's activities are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available. However, unlike the government-wide financial statements, governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information in Figure A-1 that explains the relationship (or differences) between them.

The District's governmental funds are the General Fund, Debt Service Fund, Elementary and Secondary School Emergency Relief Fund (ESSER) III, Capital Projects Fund, and Non-Major Governmental Funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, ESSER III, and Capital Projects, each of which is considered to be a major fund. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are used to account for operations that are financed similar to those found in the private sector. The District maintains an individual internal service fund for health insurance coverage. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The District's fiduciary fund is considered to be a custodial fund which accounts for the District's Student Activity Funds. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets.

Notes to the Basic Financial Statements

The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes to the basic financial statements, this report also presents required supplementary information concerning the District's compliance with its General Fund budget and its progress in funding its obligations to provide pension and other post-employment benefits to its employees.

The combining and individual fund statements and schedules referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain.

Figure A-1 Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's governmental activities (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private business: self-insurance	Instances in which the District is the trustee or custodian for someone else's resources: student activity funds
Required financial statements	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of revenues, expenses and changes in net position and statement of cash flows	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and custodial in nature
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Analysis

The district's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$16.6 million at June 30, 2023, which is an increase in the net position of \$24.2 million compared to last fiscal year.

Figure A-2 The District's Net Position

	<u>Governmental Activities</u>	
	2023	2022
Current and other assets	\$582,515,340	\$260,322,770
Capital assets	743,061,193	757,717,550
Total Assets	1,325,576,533	1,018,040,320
 Total deferred outflows of resources	 109,230,254	 73,204,373
 Current liabilities	 71,219,925	 57,150,216
Noncurrent liabilities	1,211,977,549	889,618,843
Total Liabilities	1,283,197,474	946,769,059
 Total deferred inflows of resources	 134,970,321	 152,104,509
 Net Position:		
Net investment in capital assets	63,213,532	53,196,521
Restricted	101,707,993	74,043,967
Unrestricted	(148,282,533)	(134,869,363)
Total Net Position	\$16,638,992	(\$7,628,875)

The district's net position is comprised of the following elements as illustrated in Figure A-2: *Net Investment in Capital Assets* of \$63.2 million reflects the district's investment of \$743 million in capital assets (e.g., land, construction-in-progress, buildings and equipment) less the outstanding debt used to acquire those assets.

The second element of net position shown in Figure A-2 is *Restricted*, which is used to segregate the net position on which external constraints have been placed (e.g., constraints imposed by creditors, grantors or by law). The district is reporting a balance of \$101.7 million which represents balances for debt service, federal and state programs, and local grants.

The third element of net position is *Unrestricted*, which consists of the net position that does not meet the criteria of the other two elements described above. The district is reporting a balance of (\$148.3) million in this category.

Changes in Net Position

The District’s total revenues for the fiscal year ended June 30, 2023, were \$549,845,296. A significant portion of the District’s revenue (41.20%) comes from taxes. State aid and other grant revenues represent 27.35%, while only 4.58% relate to charges for services (See Figure A-3). The total cost of all programs and services was \$525,577,429 of which 53.78% is for instruction and instructional-related services (See Figure A-4).

Figure A-3 Sources of Revenue for the Fiscal Year Ended June 30, 2023

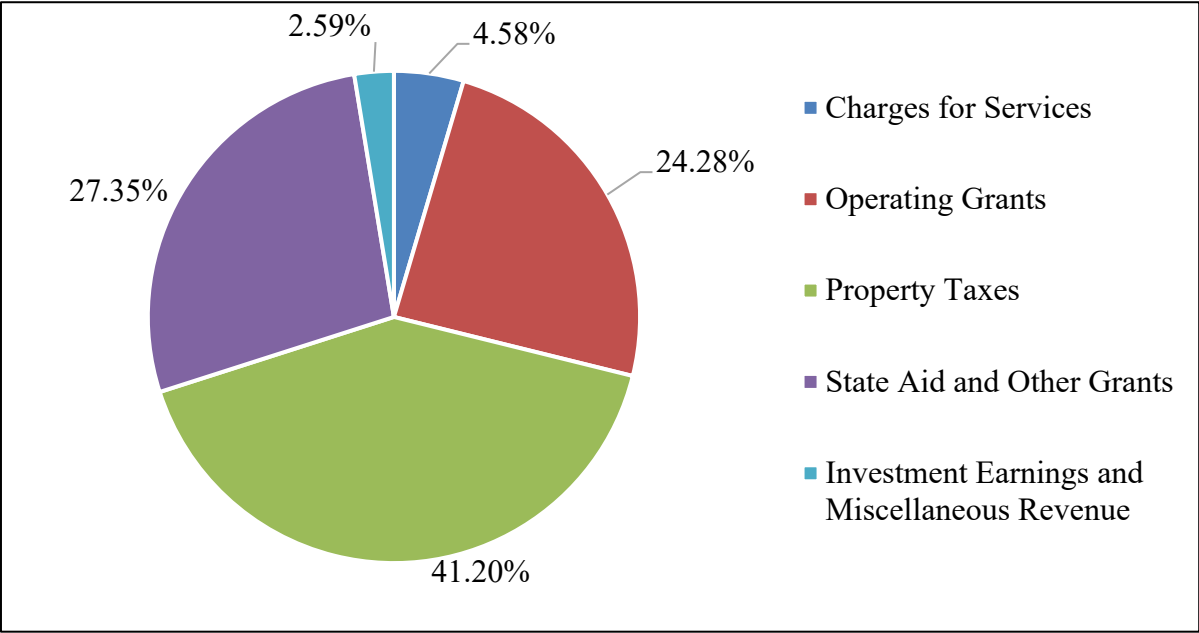
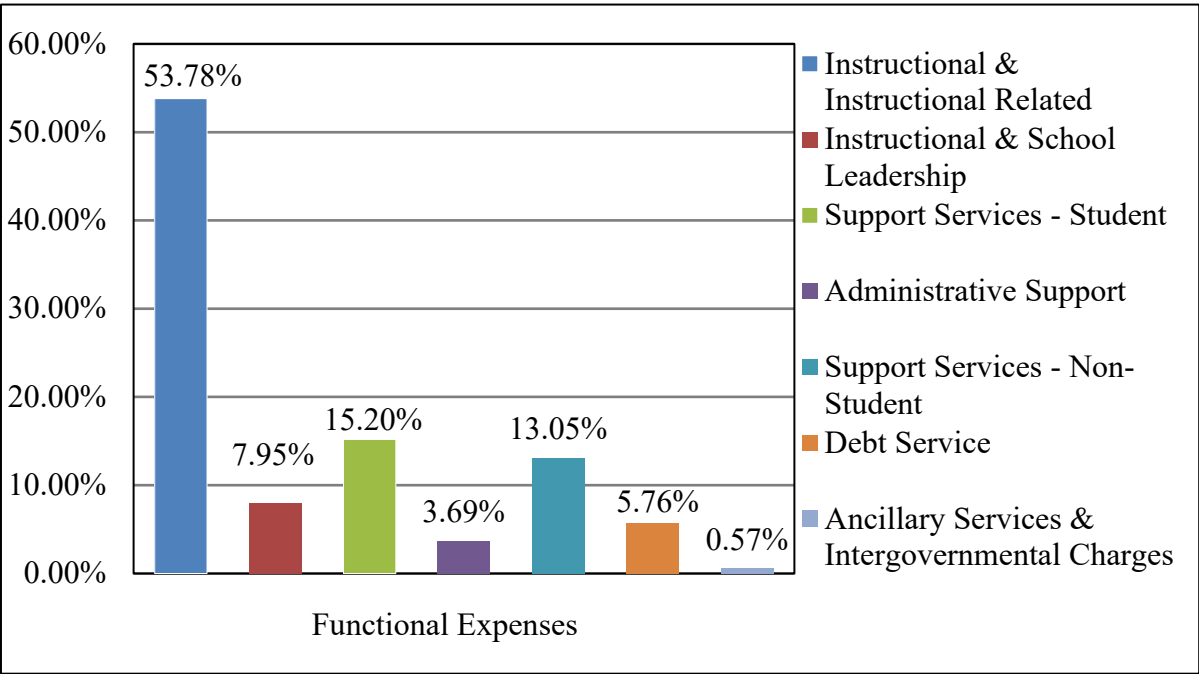


Figure A-4 Expenses by Major Function for the Fiscal Year Ended June 30, 2023



Governmental Activities

Governmental activities increased the District's net position by \$24,267,867 for the fiscal year ended June 30, 2023. The following table presents the changes in the District's net position for the fiscal years ended June 30, 2023 and 2022:

Changes in the District's Net Position

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for services	\$25,163,488	\$10,493,521
Operating grants and contributions	133,511,672	117,182,744
General Revenues:		
Property taxes	226,558,183	205,282,695
State aid and other grants	150,369,134	159,243,452
Investment earnings	11,602,166	369,840
Miscellaneous	2,640,653	2,184,089
Total revenues	<u>549,845,296</u>	<u>494,756,341</u>
Expenses		
Instruction	259,167,126	220,175,209
Instructional resources and media services	5,066,614	4,615,823
Curriculum/staff development	18,487,466	11,935,152
Instructional leadership	12,851,002	11,205,026
School leadership	28,917,968	25,264,998
Guidance and counseling services	18,665,978	17,211,689
Social work services	542,364	525,049
Health services	3,197,802	3,669,990
Student (pupil) transportation	19,392,732	16,541,610
Child nutrition services	28,536,044	25,527,350
Co-curricular activities	9,548,654	8,975,684
General administration	19,385,111	25,208,029
Plant maintenance and operations	44,424,836	40,412,128
Security and monitoring services	9,686,844	7,765,391
Data processing services	12,800,593	10,591,797
Community services	1,671,907	1,865,917
Interest and fiscal charges	30,257,678	25,849,923
Fiscal agent/shared services arrangement	146,823	66,584
Alternative education	9,100	82,800
Payments to tax increment fund	1,224,712	1,061,489
Other intergovernmental charges	1,596,075	1,506,040
Total governmental activities	<u>525,577,429</u>	<u>460,057,678</u>
Change in net position	24,267,867	34,698,663
Beginning Net Position	<u>(7,628,875)</u>	<u>(42,327,538)</u>
Ending Net Position	<u><u>\$16,638,992</u></u>	<u><u>(\$7,628,875)</u></u>

The increase in revenues is primarily due to increased earnings on investments, additional revenue from ESSER II funds and increased property tax revenue due to higher property values.

The increase in expenses is primarily due to employee raises, less vacant positions and the use of ESSER II funds.

The following table presents the cost of each of the District's largest functions as well as each function's net cost for the fiscal year ended June 30, 2023, (total cost less charges for services generated by the activities and operating grants and contributions). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all governmental activities this year was \$525,577,429.
- The amount of the cost that was paid by those who directly benefited from the program was \$25,163,488.
- The amount paid by grants and contributions was \$133,511,672.
- The amount that our taxpayers paid for these activities through property taxes was \$226,558,183.

Net Cost of Selected District Functions
(in millions of dollars)

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instructional	\$282.7	\$190.4	\$236.7	\$156.7
Plant maintenance & operations	\$44.4	\$39.1	\$40.4	\$38.8
Interest and fiscal charges	\$30.3	\$27.5	\$25.8	\$24.8

Financial Analysis of the District's Funds

The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the Texas Education Agency in the *Financial Accountability System Resource Guide*, with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received and the fund liabilities are incurred, except for outstanding long-term debt. The general governmental operations include the following funds: General, Debt Service, Capital Projects, and Special Revenue.

Revenues for governmental funds totaled \$539,239,221 for the fiscal year ended June 30, 2023, an increase of 10.85% over the prior fiscal year. The increase is due to increased earnings on investments as a result of higher interest rates, increased property tax collections due to higher property values and increased ESSER II funds provided to address the ongoing impact of the COVID-19 pandemic.

Expenditures for governmental funds totaled \$534,753,368 during the fiscal year ended June 30, 2023, an increase of 12.75% over the prior fiscal year. The total expenditures increased due to employee pay raises, less vacant positions, capital project expenditures and the use of the ESSER

II funds provided to address academic challenges related to the COVID-19 pandemic. Employees were given a general pay increase ranging from 2% to 5.7% depending on the employee classification. The district created a District of Innovation teaching program that allows aspiring teachers who hold a bachelor's degree to teach full-time while pursuing their teacher certification. This program allowed the district to fill many teaching positions that were vacant in the previous year due to a certified teacher shortage created by the COVID-19 pandemic. Capital project expenditures increased compared to the previous year due to cost associated with the construction and technology projects to close out of the 2016 bond program. The capital projects expenditures also increased due to safety and security and technology related projects included in the 2022 bond program which was approved by voters in November of 2022. The ESSER II fund expenditures increased due to the construction cost to convert the Clark Primary campus to the Spring Leadership Academy and to convert the former Spring Leadership Academy campus to the new Momentum High School.

The Debt Service Fund had a total fund balance of \$98,217,575 all of which is restricted for the payment of debt service. The District makes semi-annual debt service payments in February and August each year. The total debt service payments including fees for the fiscal year ended June 30, 2023, was \$66,055,062. There was an increase in fund balance of \$25,067,751 due to an increase in property tax collections as a result of higher property values and capitalized interest from the issuance of capital related bonds.

The ESSER III Fund has no fund balance as all revenues are received upon request to the Texas Education Agency for reimbursement of allowable expenditures.

The Capital Projects Funds had a fund balance of \$305,303,724. This is due to voter approval of the 2022 Bond Election held on November 8, 2022. The Bond Election authorized \$850,000,000 in bonds of which \$300,000,000 were issued in February 2023. The proceeds from the bond will address longstanding facility, technology and safety and security needs.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget three times. These adjustments resulted in an increase in the final budgeted appropriations and other financing uses of \$3,037,960 over the original budget. The variance in final budgeted expenditures versus actual expenditures is primarily due to the supplanting of instructional salaries using ESSER III funds.

Final budgeted revenues and other financing sources were increased during the year by \$1,289,909 over the original revenue budget. The variance in the final total budgeted revenues versus actual revenues is primarily due to the receipt of additional state aid as a result of a prior year property tax valuation audit and reimbursement for cost associated with Winter Storm Uri.

The difference between the original budget and the final amended budget of the General Fund can be briefly summarized below:

**Appropriations
and Other
Financing Uses**

\$796,751	Increase in miscellaneous appropriations resulting from 2021-2022 rollover encumbrances
685,000	Increase for the purchase of the TC Jester parking lot
616,000	An increase for PantherTERM teacher resident program
227,514	An increase to support the Spring High School safety program
214,713	Increase for the Tax Increment Reinvestment Zone (TIRZ) payment
189,000	Increase for the use of the additional Dyslexia funding received due to increased program enrollment
164,500	Increase for the reimbursable Texas Tech fee to review the Teacher Incentive Allotment teacher designation
94,482	Miscellaneous increases to other appropriations to account for use of insurance proceeds, donations and miscellaneous receipts
50,000	An increase for Harris Central Appraisal District (HCAD) assessment payment increase
\$3,037,960	Total Appropriations Increase

**Revenues and
Other
Financing**

\$3,200,000	An increase in anticipated interest earnings
1,456,000	Miscellaneous federal revenue related to indirect costs and an increase in School Health and Related Services (SHARS) reimbursement
616,000	Miscellaneous revenue due to the reimbursement for PantherTERM
432,490	Miscellaneous net increases in other estimated revenues to account for use of donations, sale of property, and other miscellaneous receipts
(4,414,581)	A net decrease in state aid primarily due to the decrease in the Foundation School Program (FSP) to adjust to anticipated revenue for actual student enrollment and attendance
\$1,289,909	Total Revenues and Other Financing Sources Increase

New Capital Assets and Debt Administration

Capital Assets

The District has invested a net \$743 million in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, and vehicles. This amount represents a net decrease (including additions and deductions net of accumulated depreciation) of \$15.1 million from last year.

District's Capital Assets (net of depreciation)

	2023	2022
Land	\$80,532,468	\$79,847,596
Construction-in-progress	5,706,462	254,943
Buildings and improvements	612,276,980	635,925,836
Equipment and furniture	32,190,553	28,592,793
Vehicles	11,601,552	12,540,467
Right to Use Assets	753,178	555,915
Net capital assets	<u>\$743,061,193</u>	<u>\$757,717,550</u>

More detailed information about the District's capital assets is presented in Note 5 to the basic financial statements.

Debt Administration

Debt-management policies seek to provide the most favorable climate for District debt projects while upholding the highest rating possible for debt instruments. Management policies include the following points:

- All debt service obligations will be met when due.
- Long-term financing will be restricted to capital projects and purchases of equipment.
- Long-term bonds will not be issued to finance current operations.
- The District will cooperate and communicate with bond-rating agencies and work towards obtaining the most favorable municipal bond rating possible.
- Outstanding obligations will be reviewed frequently to ensure the most favorable funding structure for the District.
- All necessary information and material regarding the District's financial status will be provided to the appropriate parties.

The ratio of net general bonded debt to assessed valuation is a useful indicator of the District's debt position. This data is presented in the schedule "Ratios of Net General Obligation Bonded Debt Outstanding" (Table 10) in the statistical section and reflects a ratio of net bonded debt to actual taxable value of 4.88%, as compared to 4.03% last year.

The District continues to enjoy strong underlying bond ratings. The latest Moody's Investor Services, Inc. affirmed rating is Aa2 and Standard and Poor's Corporation affirmed rating is AA- for the District's debt obligations. All of the outstanding ad valorem tax bonds of the District carry a credit enhancement rating of AAA due to the Permanent School Fund guarantee.

More detailed information about the District's debt administration is presented in Note 8 to the basic financial statements.

Economic Factors and Next Year's Budget and Rates

The priorities of the 2023-2024 budget were aligned with the Board of Trustees' priorities which are: student outcomes, equity, increased opportunities and choice, leadership, student and staff well-being and community engagement. General operating fund spending per student is budgeted to be \$10,063 based upon the assumption that student enrollment will be 34,225.

Total revenues in the 2023-2024 General Fund budget are \$319.4 million, a decrease of 2.3% under the final 2023 revenues of \$327 million. This decrease is primarily due to an anticipated decrease in state aid as a result of lower average daily attendance.

Expenditures are budgeted for the 2023-2024 fiscal year at \$344.8 million, an increase of 2.7% over the final 2023 expenditures. The 2023 final expenditures are lower as a result of supplanting instructional salaries using the ESSER III fund.

The 2023-2024 expenditure budget is lower than the prior year expenditure budget as the district begins to prepare for the end of the ESSER III funds that were provided to address challenges presented by the COVID-19 pandemic. The district began this process by assembling a cross-collaborative committee of district stakeholders which identified \$9.2 million in budget reductions in an effort to reduce expenditures to align with anticipated revenues.

The Debt Service Fund revenues are budgeted at \$84.2 million which is an increase of 7.8% over the final 2023 revenues of \$78.1 million. This increase is anticipated due to an increase in property values and a higher interest and sinking tax rate. The higher tax rate is required to pay the debt associated with the voter-approved 2022 bond program in the amount of \$850 million. The debt service expenditures are budgeted at \$76.6 million, an increase of 15.89% over prior year final expenditures of \$66.1 million. The higher expenditure budget will fund increased principal and interest payments associated with the approved 2022 bond program.

Request for Information

This financial report is designed to provide our citizens, taxpayers, business community, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at 16717 Ella Blvd., Houston, Texas 77090 or call (281) 891-6077.

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BASIC FINANCIAL STATEMENTS

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SPRING INDEPENDENT SCHOOL DISTRICT**Exhibit A-1****STATEMENT OF NET POSITION****June 30, 2023**

	Primary Government Governmental Activities
<u>ASSETS</u>	
Cash	\$8,299,171
Temporary investments	492,010,095
Receivables:	
Property taxes	15,343,602
Allowance for uncollectible taxes	(5,543,900)
Due from governmental agencies	60,101,034
Accrued interest and other receivables	1,122,022
Inventories, at cost	5,658,903
Prepaid items	5,524,413
Capital assets not being depreciated:	
Land	80,532,468
Construction-in-progress	5,706,462
Capital assets net of accumulated depreciation:	
Buildings and improvements	612,276,980
Furniture and equipment	32,190,553
Vehicles	11,601,552
Right to Use Assets	753,178
Total assets	1,325,576,533
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows relating to pension activities	63,081,943
Deferred outflows relating to OPEB activities	35,072,574
Deferred charge on refunding	11,075,737
Total deferred outflows of resources	109,230,254
<u>LIABILITIES</u>	
Accounts payable	11,414,603
Interest payable	15,000,932
Accrued wages payable	43,385,372
Due to state and others	202,617
Unearned revenue	1,216,401
Non-current liabilities:	
Due within one year	42,247,516
Due in more than one year	956,182,888
Net pension liability	139,501,985
Net OPEB liability	74,045,160
Total liabilities	1,283,197,474
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows relating to pension activities	14,486,737
Deferred inflows relating to OPEB activities	117,476,935
Deferred gain on refunding	3,006,649
Total deferred inflows of resources	134,970,321
<u>NET POSITION</u>	
Net investment in capital assets	63,213,532
Restricted for:	
Debt service	85,763,971
Federal & state programs	15,799,244
Local grants	144,778
Unrestricted	(148,282,533)
TOTAL NET POSITION	\$16,638,992

See accompanying notes to basic financial statements.

SPRING INDEPENDENT SCHOOL DISTRICT
Exhibit A-2
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Primary government				
Governmental activities:				
Instruction	\$259,167,126	\$9,856,229	\$65,393,339	(\$183,917,558)
Instructional resources and media services	5,066,614		2,033,752	(3,032,862)
Curriculum and staff development	18,487,466		15,012,404	(3,475,062)
Instructional leadership	12,851,002		2,320,491	(10,530,511)
School leadership	28,917,968		2,531,139	(26,386,829)
Guidance and counseling services	18,665,978		6,851,571	(11,814,407)
Social work services	542,364		300,320	(242,044)
Health services	3,197,802		303,218	(2,894,584)
Student (pupil) transportation	19,392,732		1,240,112	(18,152,620)
Child nutrition services	28,536,044	1,234,610	27,130,901	(170,533)
Co-curricular activities	9,548,654	617,720	797,102	(8,133,832)
General administration	19,385,111	12,383,705	154,865	(6,846,541)
Plant maintenance and operations	44,424,836	596,428	4,726,312	(39,102,096)
Security and monitoring services	9,686,844	199,640	240,356	(9,246,848)
Data processing services	12,800,593	268,393	413,697	(12,118,503)
Community services	1,671,907	6,763	1,108,697	(556,447)
Interest and fiscal charges	30,257,678		2,798,674	(27,459,004)
Fiscal agent/shared services arrangement	146,823		154,722	7,899
Alternative education	9,100			(9,100)
Payments to tax increment fund	1,224,712			(1,224,712)
Other intergovernmental charges	1,596,075			(1,596,075)
Total governmental activities	<u>\$525,577,429</u>	<u>\$25,163,488</u>	<u>\$133,511,672</u>	<u>(366,902,269)</u>
General revenues:				
Taxes:				
Property taxes - maintenance & operations				152,897,184
Property taxes - debt service				73,660,999
State aid - formula grants				141,300,386
Grants and contributions not restricted to specific programs				9,068,748
Investment earnings				11,602,166
Miscellaneous				2,640,653
Total general revenues				<u>391,170,136</u>
Change in net position				24,267,867
Net Position - beginning				<u>(7,628,875)</u>
Net Position - ending				<u><u>\$16,638,992</u></u>

See accompanying notes to basic financial statements.

SPRING INDEPENDENT SCHOOL DISTRICT
Exhibit B-1
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Debt Service Fund	ESSER III	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$6,978,411				\$1,320,760	\$8,299,171
Temporary investments	74,547,401	\$97,686,053		\$307,640,734	12,135,907	492,010,095
Receivables:						
Property taxes	10,628,562	4,715,040				15,343,602
Allowance for uncollectible taxes	(3,934,100)	(1,609,800)				(5,543,900)
Due from governmental agencies	25,434,523		\$15,995,131		18,671,380	60,101,034
Interfund receivables	17,796,774	107,764		643	1,420,324	19,325,505
Accrued interest and other receivables	457,472				23,613	481,085
Inventories, at cost	5,638,554				20,349	5,658,903
Prepaid items	4,555,088			969,325		5,524,413
TOTAL ASSETS	\$142,102,685	\$100,899,057	\$15,995,131	\$308,610,702	\$33,592,333	\$601,199,908
<u>LIABILITIES</u>						
Accounts payable	\$3,445,399		\$10,570	\$3,280,223	\$4,678,411	\$11,414,603
Accrued salaries and expenditures	36,123,121		4,753,042		2,509,209	43,385,372
Interfund payables	2,573,611		11,231,519	26,755	7,959,468	21,791,353
Due to state and others	68,463	\$134,154				202,617
Workers Compensation claims payable	961,934					961,934
Unearned revenue					1,216,401	1,216,401
Total Liabilities	43,172,528	134,154	15,995,131	3,306,978	16,363,489	78,972,280
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue-property taxes	6,507,949	2,547,328				9,055,277
Total Deferred Inflows of Resources	6,507,949	2,547,328				9,055,277
<u>FUND BALANCES</u>						
Non-spendable:						
Inventory	5,638,554				20,349	5,658,903
Prepaid items	4,555,088			969,325		5,524,413
Restricted:						
Grant funds					15,923,674	15,923,674
Capital projects				303,619,553		303,619,553
Debt service		98,217,575				98,217,575
Committed:						
School activity funds					1,284,821	1,284,821
Strategic compensation	500,000					500,000
Assigned:						
Other	43,865,982			714,846		44,580,828
Unassigned	37,862,584					37,862,584
Total Fund Balances	92,422,208	98,217,575		305,303,724	17,228,844	513,172,351
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$142,102,685	\$100,899,057	\$15,995,131	\$308,610,702	\$33,592,333	\$601,199,908

See accompanying notes to basic financial statements.

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

Exhibit B-2

Total fund balances-governmental funds (Exhibit B-1) **\$513,172,351**

Amounts reported for governmental activities in the statement of net position (Exhibit 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.	743,061,193
· Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay for current period expenditures and, therefore, are deferred at the fund level.	9,055,277
· Deferred charge on refunding	11,075,737
· Deferred outflows relating to pension activities	63,081,943
· Deferred outflows relating to OPEB activities	35,072,574
· 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:	
Bonds payable	(\$892,170,000)
Premiums on bond issuance	(99,292,429)
Leases/Subscriptions	(905,763)
Accrued compensated absences	(1,454,053)
Workers' compensation claims	(539,440)
Accrued interest on bonds	(15,000,932)
Net pension liability	(139,501,985)
Net OPEB liability	(74,045,160)
	(1,222,909,762)
· Deferred gain on refunding	(3,006,649)
· Deferred inflows relating to pension activities	(14,486,737)
· Deferred inflows relating to OPEB activities	(117,476,935)

Total net position of governmental activities (Exhibit A-1) **\$16,638,992**

See accompanying notes to basic financial statements.

SPRING INDEPENDENT SCHOOL DISTRICT
Exhibit B-3
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	General Fund	Debt Service Fund	ESSER III	Capital Projects Fund	Non-Major Other Governmental Funds	Total Governmental Funds
REVENUES						
Local and intermediate sources	\$157,546,795	\$75,678,630		\$6,329,045	\$4,293,165	\$243,847,635
State program revenues	160,343,353	2,460,003			14,359,408	177,162,764
Federal program revenues	9,068,748		\$31,869,381	4,003,886	73,286,807	118,228,822
Total Revenues	326,958,896	78,138,633	31,869,381	10,332,931	91,939,380	539,239,221
EXPENDITURES						
Current:						
Instruction	186,556,999		29,623,593	6,043,847	28,500,600	250,725,039
Instructional resources and media services	2,685,991		312,631		1,459,960	4,458,582
Curriculum and staff development	4,329,135		495,360		13,364,719	18,189,214
Instructional leadership	10,268,669		212,983		1,514,703	11,996,355
School leadership	26,663,812				1,245,398	27,909,210
Guidance and counseling services	12,429,433		310,349		5,616,941	18,356,723
Social work services	243,862		255,711		18,463	518,036
Health services	2,888,404		42,294		163,561	3,094,259
Student (pupil) transportation	16,700,120				480,332	17,180,452
Child nutrition services				6,360	26,598,962	26,605,322
Co-curricular activities	6,780,940			46,633	695,486	7,523,059
General administration	13,764,965		16,526	34,373		13,815,864
Plant maintenance and operations	32,038,921			646,918	1,075,480	33,761,319
Security and monitoring services	7,053,522			179,323	156,061	7,388,906
Data processing services	8,054,541		277,632	4,021,178	50,205	12,403,556
Community services	586,106		921		1,000,495	1,587,522
Debt Service:						
Principal on long-term debt	612,761	37,425,000	293,098			38,330,859
Interest on long-term debt	50,448	28,595,561	28,283			28,674,292
Bond issuance costs and fees		34,500		2,134,559		2,169,059
Capital Outlay:						
Facilities acquisition and construction	1,092,331			2,773,426	3,223,273	7,089,030
Intergovernmental Charges:						
Fiscal agent/shared services arrangement					146,823	146,823
Alternative education	9,100					9,100
Payments to tax increment fund	1,224,712					1,224,712
Other intergovernmental charges	1,596,075					1,596,075
Total Expenditures	335,630,847	66,055,061	31,869,381	15,886,617	85,311,462	534,753,368
Excess (deficiency) of revenues over (under) expenditures	(8,671,951)	12,083,572		(5,553,686)	6,627,918	4,485,853
OTHER FINANCING SOURCES (USES)						
Issuance of capital related bonds				293,460,000		293,460,000
Sale of property	148,613					148,613
Transfers in		12,984,179			33,801	13,017,980
Premium on issuance of bonds				21,658,738		21,658,738
Transfers out	(11,576,410)			(12,984,179)		(24,560,589)
Total Other Financing Sources (Uses)	(11,427,797)	12,984,179		302,134,559	33,801	303,724,742
Net change in fund balances	(20,099,748)	25,067,751		296,580,873	6,661,719	308,210,595
FUND BALANCES, JULY 1	112,521,956	73,149,824		8,722,851	10,567,125	204,961,756
FUND BALANCES, JUNE 30	\$92,422,208	\$98,217,575		\$305,303,724	\$17,228,844	\$513,172,351

See accompanying notes to basic financial statements.

SPRING INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Exhibit B-4

Net change in fund balances-total governmental funds (Exhibit B-3) **\$308,210,595**

Amounts reported for governmental activities in the statement of net activities (Exhibit A-2) are different because:

· Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$18,137,117 were exceeded by depreciation of \$33,833,378 in the current period.	(15,696,261)
· The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an decrease to net position.	(237,402)
· Property taxes receivable which will be collected subsequent to year-end, but are not available soon enough to pay for current period expenditures are not reported as revenues in the governmental funds.	999,303
· Proceeds from issuance of long-term debt of \$293,460,000 and premium received from issuance of \$21,658,738 are reported as other financing sources in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(315,118,738)
· Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	37,425,000
· Interest on long-term debt in the statement of activities differs from the amounts reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The increase in interest reported in the statement of activities consists of the following:	
Accrued interest on bonds payable increased	(4,038,880)
Amortization of bond premium	5,379,091
Amortization of deferred gain on refunding	651,100
Amortization of deferred charge on refunding	<u>(1,405,636)</u>
	585,675
· In governmental funds, a lease and subscription based technology arrangements are considered a source of financing with principal and related interest. But in the statement of net position, these obligations are reported as liabilities. Repayment of the principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Reductions are \$905,858.	905,858
· The net decrease in accrued compensated absences is reported in the statement of activities but is not reported in the governmental funds.	36,111
· The net increase in the long-term portion of workers' compensation claims payable is reported in the statement of activities but is not reported at the fund level.	(215,187)
· 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 the governmental funds:	
Pension and OPEB expense for the pension plan measurement year	<u>7,372,913</u>

Change in net position of governmental activities (Exhibit A-2) **\$24,267,867**

See accompanying notes to basic financial statements.

Internal Service Fund

Insurance

This fund is used to account for transactions related to self-insurance activities of the school district. The district may use this fund to allocate these costs to other accounts. The district must use distinct, locally defined codes when necessary to maintain separate accountability for each self-insurance program.

SPRING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

Exhibit B-5

Governmental
 Activities
 Internal
 Service
 Fund

ASSETS

Current:

Interfund receivables	\$2,465,847
Rebate and Other Miscellaneous Receivables	<u>640,938</u>
Total Assets	<u>3,106,785</u>

LIABILITIES

Current:

Claims payable	<u>3,106,785</u>
Total Liabilities	<u>3,106,785</u>

NET POSITION

Unrestricted Net Position	<u> </u>
Total Net Position	<u><u>\$ </u></u>

See accompanying notes to basic financial statements.

SPRING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B-6

	Governmental Activities
	Internal Service Fund
Operating Revenues:	
Employer contributions	\$9,532,784
Employee contributions	12,240,360
Total Operating Revenues	<u>21,773,144</u>
Operating Expenses:	
Claims	31,055,328
Administrative fees	2,260,425
Total Operating Expenses	<u>33,315,753</u>
Operating Income (Loss)	<u>(11,542,609)</u>
Transfers-In	<u>11,542,609</u>
Change in Net Position	<u> </u>
Net Position, July 1	<u> </u>
Net Position, June 30	<u><u>\$ </u></u>

See accompanying notes to basic financial statements.

SPRING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B-7

	Governmental Activities <u>Internal Service Fund</u>
Cash Flow From Operating Activities:	
Cash received from premiums	\$19,184,037
Cash received from rebates and reimbursements	2,617,870
Cash paid for claims	(29,173,373)
Cash paid for administrative costs	<u>(2,260,425)</u>
Net Cash Provided by (Used In) Operating Activities	<u>(9,631,891)</u>
Cash Flow From Noncapital Financing Activities:	
Transfers from other funds	<u>9,631,891</u>
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>9,631,891</u>
Cash, July 1	<u> </u>
Cash, June 30	<u><u>\$ </u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	(\$11,542,609)
Adjustments to reconcile operating income (loss) to Net Cash provided by (used in) Operating Activities:	
Increase (decrease) in accrued expenses	28,762
Increase (decrease) in claims payables	<u>1,881,955</u>
Net Cash provided by (used in) operating Activities	<u><u>(\$9,631,891)</u></u>

See accompanying notes to basic financial statements.

Fiduciary Fund

These funds are used to account for funds using the economic resources measurement focus and the accrual basis of accounting. These funds are held in a custodial capacity by a school district, and they consist of funds that are the property of students or others. Custodial funds do not involve measurement of results of operations, and they have no fund equity because assets are equal to liabilities.

The Fiduciary Fund consists of the Student Activity Funds that are used to account for monies collected by schools through fund-raising efforts of the individual schools or school-sponsored groups. These funds also hold monies that are due to government agencies for items such as sales tax, textbooks, etc. which are remitted when required. The school principal is responsible, under the authority of the Board, for collecting, controlling, disbursing and accounting for all student activity funds.

SPRING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2023

Exhibit B-8

	<u>Custodial Fund</u>
<u>ASSETS</u>	
Cash	<u>\$254,913</u>
Total Assets	<u><u>\$254,913</u></u>
<u>LIABILITIES</u>	
Due to state and others	\$52,505
Due to student groups	<u>91,365</u>
Total Liabilities	<u><u>\$143,869</u></u>
<u>NET POSITION</u>	
Restricted for Student Activities	<u>\$111,044</u>
Total Net Position	<u><u>\$111,044</u></u>

See accompanying notes to the basic financial statements

SPRING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2023

Exhibit B-9

	<u>Custodial Fund</u>
Additions	
Student Activities Fundraiser Collections	\$845,030
Deductions	
Student Activities	<u>845,076</u>
Change in fiduciary net position	(46)
Net position - beginning	<u>111,090</u>
Net position - ending	<u><u>\$111,044</u></u>

See accompanying notes to the basic financial statements

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Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Spring Independent School District (the District) Board of Trustees (the Board) is a seven-member group, which has governance responsibilities over all activities related to public school education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined in the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*. The District is not financially accountable for any other organizations; therefore, no component units are included within the reporting entity.

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

B. 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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Direct expenses are not eliminated from the various functional categories. Interfund services that are provided and used are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support.

Separate financial statements are provided for governmental funds, fiduciary funds, and internal service funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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. 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 fiduciary fund financial statements reflect the District's custodial fund. The custodial fund reports the student and district activity funds and uses the economic resources focus and the accrual

basis of accounting.

The internal service fund financial statements are reported on the same basis as the government-wide statements. The District implemented the internal service fund type to report activities for its self-funded healthcare. Internal Service funds are established to account for the activity that provides goods or services to other funds of the primary government and should only be used when the reporting government is the predominant participant in the activity.

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. The District considers revenues to be available if they are collected within 60 days of the fiscal year-end. 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.

Property taxes, revenues received from the State of Texas, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government.

The accounting policies of the District comply with the rules prescribed in the *Financial Accountability System Resource Guide* by the Texas Education Agency (TEA). These accounting policies conform to generally accepted accounting principles (GAAP) applicable to governments.

The District's accounting system is organized and operated on the basis of funds, each of which is a separate accounting entity with a self-balancing set of accounts. The District's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The individual funds are grouped into two basic fund categories and are briefly described below.

Governmental Funds - Those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through the Governmental Fund Types.

The District reports the following major governmental funds:

- **General Fund** - The General Fund is the District's general operating fund and accounts for all financial transactions except those required to be accounted for in another fund. Major revenue sources within the General Fund include local property taxes, state funding under the Foundation School Program, and federal source revenues not accounted for in Special Revenue Funds. Expenditures include all costs associated with the daily operations of the schools except for specific programs funded by certain local, state and federal sources, capital projects, and debt service.
- **Debt Service Fund** - This fund accounts for the accumulation of resources for, and the payment of principal, interest, and related costs of general obligation bonds. The primary revenue sources are local property taxes levied specifically for debt service and state funding under the Existing Debt Allotment. These financial resources are restricted for debt service.

- Elementary & Secondary School Emergency Relief Fund (ESSER III) – This fund accounts for the federal stimulus funds granted to the local education agencies through the American Rescue Plan Act of 2021 (ARP) to support the District’s instruction and operations in addressing the impact of the coronavirus pandemic on students.
- Capital Projects Fund – This fund accounts for the proceeds of bond sales and other financial resources to be used for capital outlays, including the purchase of school sites, construction and renovation of school facilities, technology improvements and the purchase of school buses and other capital assets. The financial resources from bond proceeds in this fund are restricted, whereas the proceeds from other financial resources are committed or assigned.

The District reports the following non-major governmental funds:

- Special Revenue Funds - These funds account for the District's Child Nutrition Fund, School Activity Funds, state funding of the instructional materials allotment and all non-major federal, state, and locally funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks as defined in the grant awards. The proceeds of these specific revenue sources are restricted or committed.

Additionally, the District reports the following funds:

Fiduciary Fund - Used to account for amounts held by the District in a trustee capacity. This fund is accounted for on an accrual basis.

- Custodial Fund - This fund is to account for resources held in a custodial capacity by the District. This fund accounts for the District’s Student Activity Funds, which collect monies through the fund-raising efforts of the individual schools or school-sponsored groups. The school principals are responsible, under the authority of the Board, for collecting, controlling, disbursing and accounting for all student activity funds.

Proprietary Fund – Used to account for amounts collected and paid for the provision of services or goods by a reporting entity. This fund is accounted for on an accrual basis.

- Internal Service Fund – This fund is to account for the activity for the District’s self-funded medical insurance. It accounts for the collection of the District’s and employee contributions to the premiums and the payment of claims and other related costs.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is the amount at which the investment can be exchanged in a current transaction between willing parties.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The net increase or decrease in the fair value of investments is netted with investment income in local sources or revenue. Investments are generally held to maturity. The District’s local government investment pools are recorded at

amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds.” All other outstanding balances between funds are reported as “interfund receivables/payables.”

Property taxes receivable include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes, net of an allowance for uncollectible taxes.

The appraisal of property within the District is the responsibility of the Harris County Appraisal District (HCAD), an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. On January 1 of each year an enforceable lien is placed on all real property within the District to secure collection of property taxes. Property taxes for a fiscal year are levied based on HCAD appraised values on approximately October 1 and are due by the following January 31. Unpaid taxes become delinquent on February 1.

The tax rates applicable to general governmental services and debt service for 2022-2023 were \$0.85460 and \$0.40000, respectively, based on a taxable value of \$17,727,749,647. Uncollected taxes are recorded as unavailable revenue in the fund financial statement net of the related allowance for uncollectible taxes. The resulting net taxes receivable is stated at the amount estimated to be collectible based upon the District's collection experience. The allowance for uncollectible property taxes is equal to 36.14% of outstanding property taxes at June 30, 2023.

Refunds to taxpayers result when property taxes are reduced subsequent to being levied due to a reduction of appraised value resulting from a taxpayer lawsuit filed against HCAD, the correction of tax roll errors, or overpayments made by taxpayers.

Inventories

Under the District's system of accounting for inventories, materials and supplies are charged to an inventory account on the basis of the weighted average invoice cost, and are subsequently recognized as expenditures when used or consumed (consumption method) rather than when purchased. Inventories include custodial, maintenance, office and instructional supplies, gasoline, and food consumables. Child Nutrition commodity inventory is recorded at fair market value on the date received. Revenue is recognized at fair market value when commodities are distributed to the schools.

General Fund inventory is categorized as a non-spendable portion of fund balance to indicate that the assets are not available financial resources. Child Nutrition's inventory consists primarily of food items that will be available for sale, and therefore its inventory is included in non-spendable fund balance.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method of accounting. Prepaid items are categorized as non-spendable portions of fund balance

to indicate that the assets are not available financial resources.

Capital Assets

Capital assets which include land, construction-in-progress, buildings and improvements, and furniture and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation, instead of the fair market value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

<u>Assets</u>	<u>Useful Life (Years)</u>
Buildings and improvements	20 - 40
Automotive equipment	
Buses	15
Other	10
Furniture and equipment	5 - 20
Software	5 - 10

Land and construction-in-progress are not depreciated.

Right to Use Assets

Right to Use Assets grant the District economic benefit of the use of items for the duration of the term or contract. The asset is recognized along with the related liability. The District has entered agreements for these types of assets for leases and subscription-based technology arrangements.

The District has determined that a right to use asset will result from a leasing agreement with an initial present value of the future minimum payments of \$5,000 or more and the leasing agreement exceeds one year and for a subscription-based technology arrangement with an initial present value of the future minimum payments of \$200,000 or more and a term that exceeds one year.

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the Statement of Net Position as described below:

A *deferred outflow of resources* is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any

related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- Deferred outflows of resources for refunding - Reported in the government-wide financial Statement of Net Position, this 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.
- Deferred outflows of resources for pension - Reported in the government-wide financial Statement of Net Position, this deferred outflow could result from pension plan contributions made after the measurement date of the net pension liability and the results of (1) differences between projected and actual earnings on pension plan investments; (2) changes in actuarial assumptions; (3) differences between expected and actual actuarial experiences and (4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. If reported, deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred outflows of resources for other post-employment benefits (OPEB) - Reported in the government-wide financial Statement of Net Position, this deferred outflow could result from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of (1) differences between projected and actual earnings on OPEB plan investments; (2) changes in actuarial assumptions; (3) differences between expected and actual actuarial experiences and (4) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. If reported, deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB benefits through the OPEB plan.

A *deferred inflow of resources* is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has four items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes and other sources that arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for refunding - Reported in the government-wide financial Statement of Net Position, this deferred gain 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.

- Deferred inflows of resources for pension - Reported in the government-wide financial Statement of Net Position, this deferred inflow could result from (1) differences between projected and actual earnings on pension plan investments; (2) changes in actuarial assumptions; (3) differences between expected and actual actuarial experiences and (4) changes in the District's proportional share of pension liabilities. If reported, deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for OPEB - Reported in the government-wide financial Statement of Net Position, this deferred inflow could result from (1) differences between projected and actual earnings on OPEB plan investments; (2) changes in actuarial assumptions; (3) differences between expected and actual actuarial experiences and (4) changes in the District's proportional share of OPEB liabilities. If reported, deferred inflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The remaining OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB benefits through the OPEB plan.

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

Compensated Absences

District policy does not allow staff members to be compensated for accrued and unused sick leave. Full time staff members can contribute one day of sick leave annually to benefit staff members whose own leave has been exhausted due to catastrophic illness. Twelve-month classified staff members (maintenance, warehouse and nonexempt supervisory staff members) are granted annual vacation days based on consecutive years of service. Staff members may carry no more than 60 days of accrued vacation days to the following year. Staff members are paid for accumulated unused vacation time only upon termination of employment. The estimated liability for accrued compensated absences is reported in the government-wide financial statements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental funds 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.

Fund Balance

The fund balance in governmental funds has been classified as follows to describe the relative strength of the spending constraints:

- Non-spendable fund balance - amounts that are not in spendable form or are required to be maintained intact. As such, the inventory in the General Fund and Child Nutrition and the prepaid items in the General Fund and the Capital Projects Fund have been properly classified as non-spendable in the Governmental Funds Balance Sheet (Exhibit B-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. With the exception of School Activity Funds, the fund balances of grant funds are classified as restricted. The fund balance of the Debt Service Fund in the amount of \$98,217,575, and the fund balance of the Capital Projects Fund which is from the proceeds of bond sales of \$303,619,553 are also classified as restricted.
- 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) the fund balance commitments by passage of a resolution. The District has committed the School Activity Funds balances in the amount of \$1,284,821 in the Special Revenue Funds. The District also committed \$500,000 in the General Fund balance for a strategic compensation plan.
- 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. The Board approved a resolution authorizing the Superintendent or the Chief Financial Officer to assign fund balance.

The General Fund had an assigned fund balance of \$43,865,982 which includes:

Assignment	Priority	Focus Area	Amount
Encumbrances for education supplies and projects	Student Outcomes	Effective Instruction	\$3,865,982
The District continues to monitor and respond to the ever-changing needs of our students and staff to ensure a safe learning and working environment. Additional funds are necessary to cover unexpected expenditures as they arise as well as maintain sufficient cash flow to ensure financial stability during times of fluctuations in student enrollment and attendance as a result of the pandemic.	Student Outcomes & Equity	Effective Instruction	40,000,000
		Equitable Practices	
		Equitable Resources	
Total General Fund Assigned Fund Balance			\$43,865,982

The Capital Projects Fund has an assigned fund balance of \$714,846. These are funds transferred from the General Fund to the Capital Projects Fund which are assigned for renovations, construction projects, technology improvements, and the purchase of capital assets.

- Unassigned fund balance - amounts that are available for any legal expenditure. It is not possible to report a positive amount of unassigned fund balance in a governmental fund other than General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance (the total of committed, assigned, and unassigned 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.

Accounting Estimates

The preparation of the financial statements in accordance with GAAP requires management to make use of estimates and assumptions that affect amounts reported in the financial statements as

well as certain disclosures. Actual results could differ from these estimates.

New Accounting Pronouncements

The following GASB Pronouncement was implemented by the District during fiscal year 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement was issued in May 2020 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This statement was effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The requirements of this Statement will take effect for financial statements with the fiscal year the ends June 30, 2023. This pronouncement does not apply to the District.

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

GASB Statement No. 101, *Compensated Absences*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General Fund, Child Nutrition Fund and Debt Service Fund for the fiscal year beginning September 1 (or July 1, if the District has elected to change the start of the fiscal year). The Texas Education Code requires the budget to be prepared not later than August 20 (June 19 for a fiscal year start date of July 1) and adopted by August 31 (June 30 for a fiscal year start date of July 1) of each year. The District's administration determines budgetary funding priorities using a modified zero-based budgeting concept, which is consistent with GAAP. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts a legally authorized appropriated budget for the General Fund, Child Nutrition Fund, and Debt Service Fund.

The District's administration performs budget reviews three times a year by which budget requirements are re-evaluated and revisions recommended to the Board. The Board approves

amendments to the budget, which are required when a change is made to any one of the functional expenditure categories defined by the TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executory contracts), and are used to control expenditures for the year and to enhance cash management. The District often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means that when a purchase order is prepared, the appropriate account is checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources.

Prior to the end of the year, every effort is made to liquidate outstanding encumbrances. When encumbrances are outstanding at the fiscal year end, the District likely will honor the open purchase orders or contracts that support the encumbrances. For reporting purposes, as noted earlier, outstanding encumbrances are not considered expenditures for the fiscal year. If the District allows encumbrances to lapse, even though it plans to honor the encumbrances, the appropriations authority expires and the items represented by the encumbrances are usually reappropriated in the following year's budget. Outstanding encumbrances at fiscal year-end are included in restricted, committed or assigned fund balance as appropriate. At June 30, 2023, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$3,865,982
ESSER III	11,206
Capital Projects	749,502
Non-Major Governmental Funds	13,947,137
Total	<u><u>\$18,573,827</u></u>

Note 3 - Cash and Investments

The District's banking and investment policies are in accordance with laws and regulations of the Public Funds Investment Act (the Act), State of Texas and the TEA. The Act and policies mandated by the District's Board authorize the District to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, money market savings accounts, repurchase agreements, commercial paper, and public funds investment pools.

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust, approved pledged collateral in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved collateral is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash

At June 30, 2023, the carrying amount of the District's cash on deposit was \$8,554,085 inclusively, and the bank balance was \$8,569,812. The depository cash balances were covered by FDIC insurance and by collateral held by the District's agents in the District's name.

The District's depository cash balances were properly collateralized at all times during the year.

Investments

As of June 30, 2023, the District's investments consisted of balances held by Texas Local Government Investment Pool (TexPool), TexasTERM Local Government Investment Pool (TexasTERM), US Treasury and Federal Home Loan Banks. In April 2023, the District awarded bid to HillTop Securities Asset Management as its primary investment advisors.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (the Trust Company) to provide a safe environment for the placement of local government funds. The portfolio consists of U.S. Treasury and government agency securities, repurchase agreements, certain mutual funds, collateralized repurchase and reverse repurchase agreements, no-load money market mutual funds regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized statistical rating organization, securities lending programs, and certificates of deposit. TexPool is overseen by the State Comptroller of Public Accounts and administered by Federated Hermes, Inc. The State Street Bank is the custodial bank. TexPool follows chapter 2256 of the Texas Public Funds Investment Act. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at amortized cost, which approximates fair value.

TexasTERM is a public funds investment pool created by and for Texas local governments to provide investment options with safety, flexibility, and competitive yields. PFM Asset Management, LLC acts as the investment advisor of the pool. The pool consists of the TexasDAILY Program, which is a money market portfolio with daily liquidity, whose investment objective is to produce the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable \$1.00 net asset value (NAV). TexasDAILY has received a rating of AAAMmmf from Fitch Ratings. GASB Statement No. 31 allows that the value at maturity and fair value to be the same for investment positions that mature within one year of the purchase date of the position. Therefore, TexasTERM's fair value and the value at maturity for the District's investment are the same.

U.S. Treasury securities are direct debt obligations backed by the full faith and credit of the U.S. Government. Interest can be paid at maturity or semiannually depending on the type of security. The US Treasury sells securities through a schedule of regular public actions, which determines the yield of the securities. It makes periodic adjustments to the auction calendar as its borrowing needs change. U.S. Treasury securities prices can rise or fall depending on interest rates. Interest rate changes generally have a greater risk on long-term Treasury prices. U.S. Treasury has a rating of A-1+. During the fiscal year, the District invested in four short-term US Treasury securities that matured within six months at a high yield over 5%, which has been competitive to the yields of the TexPools.

Federal Home Loan Banks (FHLB) are a system of regional member-owned corporations that provide lending institutions with a liquidity resource to finance housing and economic

development activities. Congress established the Federal Home Loan Bank system in 1932 as a government sponsored enterprise to support mortgage lending and related community investment activity in the wake of the Great Depression. The FHLBs' mission is to provide reliable liquidity to its member institutions to support housing finance and community investment. The Federal Housing Finance Agency (FHFA) regulates the FHLBs. It is responsible for ensuring that the FHLBs operate in a safe and sound manner, are adequately capitalized, are able to raise funds in the capital markets, and are held accountable to the FHLBs' mission. The FHLBs fund themselves primarily by issuing debt securities or consolidated obligations through the "system" of FHLBs in the capital markets through the Office of Finance, which acts as the FHLBs' agent. The federal government does not guarantee or insure these consolidated obligations. However, the FHLBs' status as a government sponsored enterprise enables the FHLBs to raise funds at rates slightly above comparable obligations issued by the U.S. Department of the Treasury. The FHLB rating is A-1+. The district invested in one short-term security that matures within six months of issuance.

As noted in the District's Significant Accounting Policies, the District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. In addition, both TexPool and TexasDAILY do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. Both pools do not impose any liquidity fees or redemption gates.

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

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

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

The District's Money Market is reported at fair value using Level 2 inputs. The fair value measurements are based on quoted market prices using matrix pricing technique by the pricing source that values securities based on their relationship to benchmark quoted prices (Level 2 inputs). The District does not have any investments that are measured using Level 1 or 3 inputs.

At June 30, 2023, the fair value, credit rating, percentage of investments, and weighted average

maturity of the District's investments are summarized as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Percentage of Investments</u>	<u>Weighted Average Maturity (Days)</u>
<u>Temporary Investments:</u>				
TexPool	\$271,136,073	AAA	55.11%	26
TexPool Prime	121,427,643	AAA	24.68%	34
TexasTERM				
TexasDAILY	15,644,701	AAA	3.18%	31
U.S. Treasury Securities	78,878,134	A-1+	16.03%	102.2
Federal Home Loan Banks	4,923,544	A-1+	1.00%	102.2
Total	<u>\$492,010,095</u>		<u>100.00%</u>	

Portfolio weighted average maturity 48.1

Although TexPool, TexPool Prime and TexasDAILY have a weighted average maturity greater than one, the funds are available to the District within one day

Credit Risk

Credit risk is the risk that a counter party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the fair value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement, will decline. Market risk is not depicted in this note.

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations.

Concentration of Credit Risk

The District has no specific policy relating to the credit risk of investments. However, the District's investment policy requires that the investment portfolio be diversified to avoid incurring undue concentration in securities of one type at one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury Securities or investment pools.

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the District requires that the total portfolio's weighted average maturity is less than 365 days. The District's Investment Policy also limits that no investment shall have an original stated maturity greater than two or three years depending on the instrument. The District also ensures diversification and holds investment instruments until maturity.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District's policy

requires that a third party custodian or a bank trust department hold all securities owned by the District.

Adjustment to Investments' Fair Value

The District's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates have risen, the portfolio value will have declined. If interest rates have fallen, the portfolio value will have risen. Fair values of commercial paper are based on quoted market prices. The investments are reported by the District at fair value in accordance with GAAP. The District had no gains or losses from the sale of securities because they were held to maturity. All securities are quoted at fair value including accrued interest.

The total investment income was \$11,602,165.

Note 4 - Receivables

Receivables as of June 30, 2023, for the District's individual major funds and non-major funds in the aggregate, including applicable allowances for uncollectible accounts are as follows:

	General Fund	Debt Service Fund	ESSER III	Non-Major Other Governmental Funds	Total
Property taxes	\$10,628,562	\$4,715,040			\$15,343,602
Due from state	24,964,417		\$15,995,131	\$18,671,380	59,630,928
Due from other governments	470,106				470,106
Miscellaneous receivables	457,472			23,613	481,085
Gross receivables	36,520,557	4,715,040	15,995,131	18,694,993	75,925,721
Less allowance for uncollectibles	(3,934,100)	(1,609,800)			(5,543,900)
Total net receivables	<u>\$32,586,457</u>	<u>\$3,105,240</u>	<u>\$15,995,131</u>	<u>\$18,694,993</u>	<u>\$70,381,821</u>

Note 5 - Capital Assets

A summary of changes in capital asset activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 Restated*	Additions	(Retirements)	Transfers	Balance June 30, 2023
<u>Capital assets, not being depreciated:</u>					
Land	\$79,847,596	\$684,872			\$80,532,468
Construction-in progress	254,943	7,115,187	(\$204,968)	(\$1,458,700)	5,706,462
Total capital assets, not being depreciated	<u>80,102,539</u>	<u>7,800,059</u>	<u>(204,968)</u>	<u>(1,458,700)</u>	<u>86,238,930</u>
<u>Capital assets, being depreciated:</u>					
Buildings and improvements	1,018,502,987			1,458,700	1,019,961,687
Vehicles	35,349,872	729,059	(2,479,978)		33,598,953
Furniture and equipment	72,249,843	9,607,999	(185,967)		81,671,875
Right-to-use lease equipment	1,193,384		(278,826)		914,558
SBITA GASB 96	1,277,306				1,277,306
Total capital assets, being depreciated	<u>1,128,573,392</u>	<u>10,337,058</u>	<u>(2,944,771)</u>	<u>1,458,700</u>	<u>1,137,424,379</u>
<u>Less accumulated depreciation:</u>					
Buildings and improvements	(382,577,151)	(25,107,556)			(407,684,707)
Vehicles	(22,809,405)	(1,664,970)	2,476,974		(21,997,401)
Furniture and equipment	(43,657,050)	(6,155,603)	331,331		(49,481,322)
Right-to-use lease equipment	(637,469)	(304,578)	104,032		(838,015)
SBITA GASB 96		(600,671)			(600,671)
Total accumulated depreciation	<u>(449,681,075)</u>	<u>(33,833,378)</u>	<u>2,912,337</u>		<u>(480,602,116)</u>
Governmental activities capital assets, net	<u>\$758,994,856</u>	<u>(\$15,696,261)</u>	<u>(\$237,402)</u>	<u>\$</u>	<u>\$743,061,193</u>

*Due to the implementation of GASB 96 the beginning balance includes Subscription Based Information Technology Arrangements.

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

Instruction	\$12,419,943
Instructional resources and media services	635,384
Curriculum and staff development	7,203
Instructional leadership	603,832
School leadership	547,673
Guidance and counseling services	96,265
Health services	89,501
Student (pupil) transportation	1,496,539
Child nutrition services	2,084,545
Co-curricular activities	2,102,055
General administration	585,376
Plant maintenance and operations	8,024,054
Security and monitoring services	1,911,287
Data processing services	3,141,424
Community services	88,297
Total	<u>\$33,833,378</u>

At June 30, 2023 the District has ongoing construction projects where the active commitments with contractors are as follows:

	Construction in Progress	Remaining Commitments
ESSER II - Furniture - Spring Leadership Academy	\$47,274	\$717,627
ESSER II - Momentum	38,355	251,004
ESSER II - Spring Leadership Academy	3,109,307	7,634,612
Spring Leadership Academy - Construction Material Testing	623	1,797
Wells Middle School Chiller	538,525	258,414
Spring High School	25,090	54,920
Westfield High School PAC Stage Renovation	266,817	20,954
Anderson Leadership Traffic Signal and Parking	24,390	71,754
Marshall Elementary School T-Buildings	60,975	10,029
Update Web Filtering	51,333	196,167
Replacements at End of Life Data Center	28,007	190,232
Firewall Upgrade	3,192	212,244
Uninterrupted Power Supply (UPS) District Refresh	1,512,574	
Total	<u>\$5,706,462</u>	<u>\$9,619,753</u>

Leases

As defined by GASB 87, The District had noncancellable leases for copiers and other equipment. Starting with the commencement date of each lease, the District recognizes a long-term liability measured at the present value of future minimum payments to be made during the lease term using an estimated incremental borrowing rate for similar financings. Lease liabilities are recognized when this measurement is \$5,000 or greater and the lease term exceeds one year. Payments are fixed and made monthly or annually depending on the lease term. Additionally, lease assets are amortized on a straight-line basis over the shorter of the lease term or their useful lives. The total amount of leased equipment for the District for year ended June 30, 2023 was \$914,558, with related amortization of \$838,015.

Right to Use Assets by Asset Class
Year ended June 30, 2023

Copiers

In the fiscal year 2023, The District leased 204 copiers as right to use assets. Principal and interest payments on these assets at June 30, 2023, are summarized as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$139,171	\$3,507	\$142,678
2025	18,353	389	18,742
2026	1,219	12	1,231
	<u>\$158,743</u>	<u>\$3,908</u>	<u>\$162,651</u>

Other Equipment

In addition, the District leased a postage machine and printer. Principal and interest payments on these assets at June 30, 2023, are summarized as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$28,000	\$731	\$28,731
2025	22,183	58	22,241
	<u>\$50,183</u>	<u>\$789</u>	<u>\$50,972</u>

Subscription-Based Information Technology Arrangements

The District has noncancellable subscription-based information technology arrangements. The commencement date for these arrangements was July 1, 2023, per the implementation of GASB 96. The District recognizes a long-term liability measured at the present value of future minimum payments to be made during the subscription term using an estimated incremental borrowing rate for similar financings. Subscription-based information technology arrangement liabilities are recognized when this measurement is \$200,000 or greater and the term exceeds one year. Payments are fixed and made monthly or annually depending on the term. Additionally, subscription-based information technology arrangements are amortized on a straight-line basis over the shorter of the term or their useful lives. In fiscal year 2023, the District identified four of these technology arrangements for a total amount of \$1,277,306, with related amortization of \$600,671. Principal and interest payments on these assets at June 30, 2023, are summarized as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$616,270	\$25,046	\$641,316
2025	80,567	1,823	82,390
	<u>\$696,837</u>	<u>\$26,869</u>	<u>\$723,706</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances in the fund financial statements as of June 30, 2023, was as follows:

	Receivable	Payable
General Fund	\$17,796,774	\$2,573,611
Debt Service Fund	107,765	
Capital Projects Funds	643	26,755
ESSER III/TCLAS		11,231,519
Non-Major Other Governmental Funds	1,420,324	7,959,468
Internal Service Fund	2,465,847	
Total	<u>\$21,791,353</u>	<u>\$21,791,353</u>

All interfund balances are routine in nature, used to pay back funds as necessary, and are expected

to be repaid within one year. Most of the amounts represent short-term borrowing between funds for operating expense payments.

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without requirement for repayment”. The following is a summary of the District’s transfers for the year ended June 30, 2023:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Child Nutrition Fund	\$33,801
General Fund	Internal Service Fund	11,542,609
Capital Projects	Debt Service	12,984,179
		<u>\$24,560,589</u>

The transfer from the General Fund to the Child Nutrition Fund was for income surveys and unpaid student lunch charges. The transfer from the General Fund to the self-funded medical insurance fund was due to an operating loss sustained by the fund. The transfer from Capital Projects to Debt Service was for interest payments and fees related to the 2023 bond proceeds.

Note 7 - Deferred Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are considered to be unavailable to liquidate liabilities in the current period. Revenue recognition in governmental funds does not occur until resources that have been received in advance are earned.

The following is a summary of deferred inflows of resources and unearned revenue by fund at June 30, 2023:

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
<u>Deferred Inflows of Resources:</u>		
General Fund - Property Taxes	\$6,507,949	
Debt Service Fund - Property Taxes	2,547,328	
<u>Unearned Revenue:</u>		
Non-Major Other Governmental Funds - Advance Funding		\$1,216,401
Total	<u>\$9,055,277</u>	<u>\$1,216,401</u>

Note 8 - Long-Term Liabilities

The District’s long-term liabilities consist of bond indebtedness, leases, subscription-based technology arrangements, accrued compensated absences, and workers’ compensation liability. Bonds are payable solely from future revenues of the Debt Service Fund which consist principally of property taxes collected by the District, state funding, and investment income. Lease obligations are payable from the General Fund. The same governmental funds used to pay the employee’s salary are used to liquidate the liability for accrued compensated absences. These funds have included the General Fund and the Child Nutrition Fund. Workers’ compensation claim liabilities are generally liquidated by the General Fund in the current and prior year.

Changes in Long-term Liabilities

The following is a summary of the long-term liability activity of the District for the fiscal year ended June 30, 2023:

	Balance 7/1/2022 Restated*	Additions	Retirements	Balance June 30, 2023	Due Within One Year
General obligation bonds	\$636,135,000	\$293,460,000	(\$37,425,000)	\$892,170,000	\$36,720,000
Premium from sale of bonds	83,012,782	21,658,738	(5,379,091)	99,292,429	
Total bonds payable	719,147,782	315,118,738	(42,804,091)	991,462,429	36,720,000
Leases	534,315		(325,390)	208,925	167,170
Subscription Based Information Technology Arrangements	1,277,306		(580,468)	696,838	616,270
Accrued compensated absences	1,490,165	656,018	(692,130)	1,454,053	675,357
Workers' compensation claims	1,441,131	711,338	(651,095)	1,501,374	961,934
Medical insurance claims	1,266,168	31,013,990	(29,173,373)	3,106,785	3,106,785
Total long-term liabilities	<u>\$725,156,867</u>	<u>\$347,500,084</u>	<u>(\$74,226,547)</u>	<u>\$998,430,404</u>	<u>\$42,247,516</u>

*Due to the implementation of GASB 96 the beginning balance includes Subscription Based Information Technology Arrangements

The District's net pension liability as of June 30, 2023 was \$139,501,985, which is an increase of \$84,377,324 from the District's June 30, 2022 net pension liability of \$55,124,661.

The District's net OPEB liability as of June 30, 2023 was \$74,045,160, which was a decrease of \$37,835,630 from the District's June 30, 2022 net OPEB liability of \$111,880,790.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction, acquisition, and equipment of school buildings, including safety, security, and technology improvements, for the purchase of necessary sites for school buildings, for the purchase of new school buses, and for refunding outstanding bonds of the District. These bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds, term bonds, and/or serial bonds with various amounts of principal maturing each year. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures.

General obligation bonds payable at June 30, 2023, are summarized as follows:

Date Series Issued	Series Maturing Through	Interest Rates (%)	Original Issuance	Outstanding Balance
2014	2030	3.250 - 5.000	\$76,865,000	\$63,640,000
2015	2033	4.000 - 5.000	136,870,000	95,795,000
2016	2034	3.500 - 5.000	80,120,000	57,330,000
2017	2042	4.000 - 5.000	198,715,000	175,560,000
2017A	2029	3.000 - 5.000	53,615,000	53,615,000
2018	2033	4.000 - 5.000	10,385,000	6,230,000
2019	2043	4.000 - 5.000	98,070,000	93,665,000
2020	2026	5.000	29,425,000	19,445,000
2021	2027	5.000	8,795,000	7,540,000
2021A	2028	.590 - 5.000	26,795,000	25,890,000
2023	2052	4.000 - 5.000	293,460,000	293,460,000
			<u>\$1,013,115,000</u>	<u>\$892,170,000</u>

On November 8, 2022, the District's voters authorized the issuance of general obligation bonds under three separate propositions totalling \$850,000,000.

Election	Purpose	Amount Voted
Proposition A	Construction, acquisition, and equipment of school buildings in the District, the purchase of the necessary sites for school buildings, the purchase of new school buses, and safety and security	\$681,000,000
Proposition B	Education and performance center	\$141,000,000
Proposition C	Acquisition or update of District technology equipment, systems and infrastructure, including laptops, personal computing devices and software to integrate and implement such technology	\$28,000,000
Total		\$850,000,000

In February 2023, the District utilized \$300,000,000 of the 2022 bond authorization through new debt issuance of \$293,460,000 Unlimited Tax School Building Bonds, Series 2023 with a related premium of \$21,658,738. Cost of issuance totaled \$2,144,059 and additional proceeds of \$12,984,179 were transferred to the Debt Service Fund.

As of June 30, 2023 \$550,000,000 of the 2022 bond authorization remains unissued.

Principal and interest payments on general obligation bonds payable at June 30, 2023, are summarized as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$36,720,000	\$39,740,058	\$76,460,058
2025	44,385,000	38,171,388	82,556,388
2026	46,410,000	36,098,884	82,508,884
2027	48,530,000	33,820,847	82,350,847
2028	50,840,000	31,443,478	82,283,478
2029-2033	230,240,000	122,339,054	352,579,054
2034-2038	131,795,000	81,844,425	213,639,425
2039-2043	145,030,000	51,030,525	196,060,525
2044-2048	74,110,000	25,630,525	99,740,525
2049-2053	84,110,000	8,674,600	92,784,600
Total	<u>\$892,170,000</u>	<u>\$468,793,784</u>	<u>\$1,360,963,784</u>

In accordance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Rebutable arbitrage is the excess of the amount earned on investments purchased with bond proceeds over the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. Rebutable arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary of the bond issue and upon final redemption of all outstanding bonds of the issue. The District has estimated that it has no arbitrage liability as of June 30, 2023.

Unspent Bond Proceeds

Bond Status by Series	Total Proceeds Received	Proceeds Spent	Unspent Proceeds
Series 2017	\$225,000,000	\$223,516,823	\$1,483,177
Series 2019	105,000,000	104,544,589	455,411
Series 2023	300,000,000		301,680,965
Total	<u>\$630,000,000</u>	<u>\$328,061,412</u>	<u>\$303,619,553</u>

Does not include refundings. Proceeds received and proceeds spent do not include interest earned on the proceeds. Unspent proceeds include interest earned of \$1,680,965.

Note 9 - Revenues from Local and Intermediate Sources

During the current year, revenues from local and intermediate sources reported in governmental funds consisted of the following:

	General Fund	Debt Service Fund	Capital Projects	Non-Major Other Governmental Funds	Total Governmental Funds
Property taxes	\$151,173,603	\$72,866,038			\$224,039,641
Penalty & interest	1,042,882	476,357			1,519,239
Tuition and fees	129,039			\$21,357	150,396
Earnings on investments	3,563,908	2,336,235	\$5,378,358	323,664	11,602,165
Food sales				1,234,610	1,234,610
Other local	1,637,363		950,687	2,713,534	5,301,584
Total	<u>\$157,546,795</u>	<u>\$75,678,630</u>	<u>\$6,329,045</u>	<u>\$4,293,165</u>	<u>\$243,847,635</u>

Note 10 - Risk Management

Property, Casualty and Liability Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of property; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded insurance coverage in any of the previous three fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

Health Insurance Fund

Beginning September 2022, the only health insurance plan available to District employees was the District sponsored self-funded plan to provide health care benefits to employees and their dependents. The plan was administered by a third party. The District was protected against catastrophic individual or aggregate loss through stop-loss coverage carried through an insurance carrier.

Premiums are paid into an internal service fund and are available to pay claims and administrative costs of the program. These interfund premiums are reported as revenues in the internal service fund.

Estimates of claims payable and of claims incurred but not reported as of June 30, 2023, are reflected as claims payable of the fund. These estimates were determined based on claims information supplied by the claims administrator. The plan is funded to discharge liabilities as they become due.

The following is a summary of the changes in the claims payable for the health insurance internal service fund for fiscal year 2023:

Fiscal Year	Beginning of Fiscal Year Claims Payable	Current Year Claims	Claims Payments	Balance at Fiscal Year End	Portion of Balance Due and Payable at Year End
2023	\$1,266,168	\$31,013,990	\$29,173,373	\$3,106,785	\$3,106,785
2022	\$0	\$10,704,612	\$9,438,444	\$1,266,168	\$1,266,168

Workers' Compensation

The District established a self-insured risk management program for workers' compensation. Transactions related to the plan are accounted for in the General Fund. Claims administration, loss control, and consultant services are provided by a third-party administrator. Liabilities that are considered due and payable as of June 30, 2023, are included in the governmental funds financial statements. Liabilities also include an estimated amount for claims that have been incurred but not yet reported, which was determined based on the District's historical claims experience and an estimate of the remaining liability for known claims. This estimated amount is accounted for in the government-wide financial statements as a long-term liability. An excess coverage insurance policy provides coverage in excess of \$450,000 per occurrence for workers' compensation injuries. It also provides coverage in excess of \$450,000 per employee for occupational disease claims, if they should arise. There were no significant reductions in insurance coverage from the prior year. The amount of settlements has not exceeded insurance coverage in each of the past three fiscal years. The following is a summary of the changes in workers' compensation claims payable for fiscal years 2022 and 2023:

Fiscal Year	Beginning of Fiscal Year Claims Payable	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End	Portion of Balance Due and Payable at Year End
2023	\$1,441,131	\$711,338	\$651,095	\$1,501,374	\$961,934
2022	\$1,463,256	\$717,169	\$739,294	\$1,441,131	\$1,116,877

Note 11 - PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx, selecting About TRS then Publications then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule. There are no automatic postemployment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS

Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

	Contribution Rates	
	Plan Fiscal Year Ending August 31,	
	2023	2022
Member (Employee)	8.00%	8.00%
Non-employer contributing entity (State)	8.00%	7.75%
District	8.00%	7.75%

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

	Fiscal Year 2023 Contributions
Employer (District)	\$13,189,405
Employee (Member)	\$20,776,500
Non-employer Contributing Entity	
On-behalf Contributions (State)	\$13,547,098

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate, times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is a surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022. The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three year period ending August 31, 2017 and were adopted in July 2018.

Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	3.91% The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.00 percent.

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

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized on the next page:

<u>Asset Class</u>	<u>Target Allocation² %</u>	<u>Long-Term Expected Geometric Real Rate of Return³</u>	<u>Expected Contribution to Long-Term Portfolio Returns</u>
<u>Global Equity</u>			
U.S.A.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity ¹	14.00%	7.70%	1.55%
<u>Stable Value</u>			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return ¹		3.70%	
Stable Value Hedge Funds	5.00%	3.40%	0.18%
<u>Real Return</u>			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities		3.60%	
<u>Risk Parity</u>	8.00%	4.60%	0.43%
<u>Asset Allocation Leverage</u>			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.21%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2022 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2022.

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

Changes of Assumptions Since the Prior Measurement Date

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$217,012,196	\$139,501,985	\$76,676,321

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

On June 30, 2023, the District reported a liability of \$139,501,985 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$139,501,985
State's proportionate share of the net pension liability associated with the District	172,712,417
Total	<u>\$312,214,402</u>

The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

On August 31, 2022, the District's proportion of the collective net pension liability was 0.2350% which was an increase of 0.0185% from its proportion measured as of August 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$16,392,206. The District also recognized on-behalf revenue and expense of \$16,509,349 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$2,022,768	(\$3,041,407)
Changes of assumption	25,993,760	(6,478,371)
Net difference between projected and actual earnings on pension plan investments	13,782,350	
Changes in proportion and differences between District contributions and proportionate share of contributions	9,884,861	(4,966,959)
District Contributions subsequent to the measurement date	11,398,204	
Total	<u>\$63,081,943</u>	<u>(\$14,486,737)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$11,398,204 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Pension Expense
2024	\$8,884,652
2025	5,000,087
2026	2,232,445
2027	17,731,158
2028	3,348,660
	<u>\$37,197,002</u>

Note 12 – Defined Other Post-Employment Benefit Plans

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at

https://www.trs.texas.gov/Pages/about_publications.aspx, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

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

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

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	Plan Fiscal Year Ending August 31,	
	2023	2022
Active employee	0.65%	0.65%
Non-employer contributing entity (State)	1.25%	1.25%
District	0.75%	0.75%
Federal/private funding remitted by District	1.25%	1.25%

	Fiscal Year 2023
	Contributions
Employer (District)	\$2,688,032
Employee (Member)	\$1,688,931
Non-employer Contributing Entity	
On-behalf Contributions (State)	\$4,509,519

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. In addition to the Demographic assumptions; salary increases, inflation rates used for members of TRS are identical to the assumptions employed in the August 31, 2022 TRS annual pension actuarial valuation.

The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 3.91 percent was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. This change increased the Total OPEB Liability. The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 2.91 percent or one percentage point higher, 4.91 percent, than the AA/Aa rate. The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

Discount Rate Sensitivity Analysis

Discount Rate – The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage lower than and 1 percentage higher than the discount rate that was used

(3.91%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (2.91%)	Current Rate (3.91%)	1% Increase (4.91%)
District's proportional share of the Net OPEB liability:	\$87,305,116	\$74,045,160	\$63,302,894

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

On June 30, 2023, the District reported a liability of \$74,045,160 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$74,045,160
State's proportionate share that is associated with the District	90,323,462
Total	<u>\$164,368,622</u>

The District's proportion of the Net OPEB Liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

On August 31, 2022, the District's proportion of the collective Net OPEB Liability was 0.3092% which was an increase of 0.0192% from its proportion measured as of August 31, 2021.

Healthcare Cost Trend Rates – The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
District's proportional share of the Net OPEB liability:	\$61,013,545	\$74,045,160	\$90,938,971

Changes Since the Prior Actuarial Valuation

The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. This change decreased the Total OPEB Liability.

Change in Benefit Terms Since Prior Measurement Date

For the year ended June 30, 2023, the District recognized negative OPEB expense of \$7,789,132 and an additional negative on-behalf expense and revenue of \$12,817,628 for support provided by the State.

On June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$4,116,649	(\$61,686,265)
Changes of assumption	11,278,545	(51,442,172)
Net difference between projected and actual earnings on OPEB plan investments	220,560	
Changes in proportion and differences between the District contributions and proportionate share of contributions	17,194,784	(4,348,498)
District contributions subsequent to the measurement date	2,262,036	
Total	<u>\$35,072,574</u>	<u>(\$117,476,935)</u>

The \$2,262,036 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	OPEB Expense Amount
2024	(\$16,224,401)
2025	(16,223,601)
2026	(13,083,599)
2027	(8,832,585)
2028	(11,008,304)
Thereafter	(19,293,907)
	<u>(\$84,666,397)</u>

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on-behalf of the District were \$1,479,068, \$834,882, and \$1,197,952, respectively. The information for the year ended June 30, 2023 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in

the governmental funds financial statements of the District.

<u>Fiscal Year</u>	<u>Medicare Part D</u>
2023	\$1,479,068
2022	\$834,882
2021	\$1,197,952

Note 13 - Shared Services Arrangement

The District participates in the North Harris County Regional Day School Program for the Deaf shared services arrangement with Aldine Independent School District. The District only pays for services provided to students that are not enrolled in the Regional Day School for the Deaf. The costs associated with these services vary based on need. Total costs paid to Aldine Independent School District for evaluation and admission, review, and dismissal (ARD) services for non-enrolled students totaled \$146,823 for the year ended June 30, 2023.

Note 14 - Commitments and Contingencies

The District received significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies and the TEA. Any disallowed claims resulting from such audits would become a liability of the General Fund. However, in the opinion of management, potential disallowed claims, if any, would not have a material effect on the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2023.

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 material adverse effect on the District's financial condition.

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REQUIRED SUPPLEMENTARY INFORMATION

SPRING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2023

Exhibit C-1

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local and intermediate sources	\$153,489,989	\$157,734,753	\$157,546,795	(\$187,958)
State program revenues	162,489,303	158,078,448	160,343,353	2,264,905
Federal program revenues	6,000,000	7,456,000	9,068,748	1,612,748
Total Revenues	321,979,292	323,269,201	326,958,896	3,689,695
EXPENDITURES				
Current:				
Instruction	200,862,665	197,788,492	186,556,999	11,231,493
Instructional resources and media services	3,359,093	3,382,332	2,685,991	696,341
Curriculum and staff development	5,211,176	5,285,438	4,329,135	956,303
Instructional leadership	11,249,619	11,056,103	10,268,669	787,434
School leadership	27,097,536	27,666,137	26,663,812	1,002,325
Guidance and counseling services	14,791,048	14,443,683	12,429,433	2,014,250
Social work services	696,680	696,680	243,862	452,818
Health services	3,506,908	3,591,293	2,888,404	702,889
Student (pupil) transportation	16,507,070	18,843,842	16,700,120	2,143,722
Co-curricular activities	7,070,255	7,323,930	6,780,940	542,990
General administration	13,544,693	14,830,102	13,764,965	1,065,137
Plant maintenance and operations	32,990,958	33,254,020	32,038,921	1,215,099
Security and monitoring services	8,281,956	7,400,843	7,053,522	347,321
Data processing services	8,037,363	8,961,903	8,054,541	907,362
Community services	758,886	878,079	586,106	291,973
Debt Service:				
Principal on long-term debt	628,732	778,203	612,761	165,442
Interest on long-term debt			50,448	(50,448)
Capital Outlay:				
Facilities acquisition and construction	118,000	1,304,805	1,092,331	212,474
Intergovernmental Charges:				
Fiscal agent/shared services arrangement	30,000	30,000		30,000
Alternative education	95,000	95,000	9,100	85,900
Payments to tax increment fund	1,010,000	1,224,713	1,224,712	1
Other intergovernmental charges	1,550,000	1,600,000	1,596,075	3,925
Total Expenditures	357,397,638	360,435,598	335,630,847	24,804,751
Excess (deficiency) of revenues over (under) expenditures	(35,418,346)	(37,166,397)	(8,671,951)	28,494,446
OTHER FINANCING SOURCES (USES)				
Sale of property		125,000	148,613	23,613
Transfers out			(11,576,410)	(11,576,410)
Total Other Financing Sources (Uses)		125,000	(11,427,797)	(11,552,797)
Net change in fund balance	(35,418,346)	(37,041,397)	(20,099,748)	16,941,649
FUND BALANCE, JULY 1	82,484,715	112,521,956	112,521,956	
FUND BALANCE, JUNE 30	\$47,066,369	\$75,480,559	\$92,422,208	\$16,941,649

See accompanying notes to required supplementary information.

Note 1 - Budgets and Budgetary Accounting

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General Fund for the fiscal year beginning September 1 (or July 1, if the District has elected to change the start of the fiscal year). The Texas Education Code requires the budget to be prepared not later than August 20 (June 19th for a fiscal year start date of July 1) and adopted by August 31 (June 30 for a fiscal year start date of July 1) of each year. The District's administration determines budgetary funding priorities using a modified zero-based budgeting concept, which is consistent with GAAP. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts a legally authorized appropriated budget for the General Fund.

The District's administration performs budget reviews three times a year by which budget requirements are re-evaluated and revisions recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

Management may amend the budget without seeking Board approval if appropriations are not moved between functions. Therefore, appropriations may be transferred between objects, sub-objects, organizations, programs, and projects without Board approval. During fiscal year 2023, General Fund appropriations and other financing uses were increased by \$3,037,960 and revenues and other financing sources were increased by \$1,289,909.

Note 2 - Variances with Final Budget

General Fund - The variance in the final budgeted revenues versus actual revenues is primarily due to the receipt of additional state aid as a result of a prior year property tax valuation audit and reimbursement for cost associated with Winter Storm Uri.

The variance in the final budgeted expenditures versus actual expenditures is primarily due to the supplanting of instructional salaries from General Fund to ESSER III funds.

SPRING INDEPENDENT SCHOOL DISTRICT
Exhibit C-3
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teacher Retirement System of Texas
For the Last Nine Measurement Years Ended August 31

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.2350%	0.2165%	0.2064%	0.2206%	0.2271%
District's proportionate share of the net pension liability	\$139,501,985	\$55,124,661	\$110,526,399	\$114,677,823	\$125,016,131
State's proportionate share of the net pension liability associated with the District	<u>172,712,417</u>	<u>85,663,766</u>	<u>177,747,242</u>	<u>169,859,655</u>	<u>186,978,519</u>
Total	<u>\$312,214,402</u>	<u>\$140,788,427</u>	<u>\$288,273,641</u>	<u>\$284,537,478</u>	<u>\$311,994,650</u>
District's covered payroll (for measurement year)	\$266,760,033	\$268,480,156	\$255,207,442	\$242,800,257	\$241,634,541
District's proportionate share of the net pension liability as a percentage of its covered payroll	52.3%	20.5%	43.3%	47.2%	51.7%
Plan fiduciary net position as a percentage of the total pension liability *	75.65%	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll *	112.72%	51.08%	110.36%	114.93%	126.11%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
District's proportion of the net pension liability	0.2340%	0.2390%	0.2456%	0.1423%	
District's proportionate share of the net pension liability	\$74,806,160	\$90,303,341	\$86,829,092	\$38,024,295	
State's proportionate share of the net pension liability associated with the District	<u>107,986,931</u>	<u>137,445,154</u>	<u>134,342,127</u>	<u>111,344,913</u>	
Total	<u>\$182,793,091</u>	<u>\$227,748,495</u>	<u>\$221,171,219</u>	<u>\$149,369,208</u>	
District's covered payroll (for measurement year)	\$234,411,778	\$237,943,264	\$230,700,849	\$205,978,531	
District's proportionate share of the net pension liability as a percentage of its covered payroll	31.9%	38.0%	37.6%	18.5%	
Plan fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%	
Plan's net pension liability as a percentage of covered payroll *	75.93%	92.75%	91.94%	72.89%	

Notes: The amounts presented are for each Plan year which ends the preceding August 31 of the District's fiscal year.

Ten years of data should be presented in this schedule but data is unavailable prior to 2014.

Net pension liability and related ratios will be presented prospectively as data becomes available.

* Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report

SPRING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
Teacher Retirement System of Texas
For the Last Ten Fiscal Years Ended June 30

Exhibit C-4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$13,189,405	\$10,664,295	\$9,022,583	\$8,335,651	\$7,678,129
Contributions in relation to the contractual required contributions	<u>13,189,405</u>	<u>10,664,295</u>	<u>9,022,583</u>	<u>8,335,651</u>	<u>7,678,129</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$284,487,684	\$266,289,696	\$265,732,163	\$252,957,516	\$242,527,457
Contributions as a percentage of covered payroll	4.64%	4.00%	3.40%	3.30%	3.17%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$7,681,399	\$7,731,778	\$7,605,202	\$6,544,720	\$3,547,693
Contributions in relation to the contractual required contributions	<u>7,681,399</u>	<u>7,731,778</u>	<u>7,605,202</u>	<u>6,544,720</u>	<u>3,547,693</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$240,462,954	\$235,330,934	\$237,796,109	\$224,935,326	\$202,678,708
Contributions as a percentage of covered payroll	3.19%	3.29%	3.20%	2.91%	1.75%

Changes of Assumptions

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021.

The discount rate changed from 7.25 percent to 7.00 percent.

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Other Information

Effective September 1, 2019, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.6 percent of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

SPRING INDEPENDENT SCHOOL DISTRICT
Exhibit C-6
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Teachers Retirement System of Texas
For the Last Six Measurement Years Ended August 31

	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.3092%	0.2900%	0.2829%	0.2932%	0.2933%	0.2802%
District's proportionate share of the net OPEB liability	\$74,045,160	\$111,880,790	\$107,548,434	\$138,635,456	\$146,423,651	\$121,845,547
State's proportionate share of the net OPEB liability associated with the District	90,323,462	149,895,326	144,519,315	184,215,512	204,767,526	182,474,757
Total	<u>\$164,368,622</u>	<u>\$261,776,116</u>	<u>\$252,067,749</u>	<u>\$322,850,968</u>	<u>\$351,191,177</u>	<u>\$304,320,304</u>
District's covered payroll (for measurement year)	\$266,760,033	\$268,480,156	\$255,207,442	\$242,800,257	\$241,634,541	\$234,411,778
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	27.8%	41.7%	42.1%	57.1%	60.6%	52.0%
Plan fiduciary net position as a percentage of the total OPEB liability *	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	59.10%	100.13%	101.46%	135.21%	146.64%	132.55%

Note: The amounts presented are for each Plan year which ends the preceding August 31 of the District's fiscal year.

Ten years of data should be presented in this schedule but data is unavailable prior to 2017.

Net OPEB liability and related ratios will be presented prospectively as data becomes available.

* Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report

SPRING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
Teachers Retirement System of Texas
For the Last Ten Fiscal Years Ended June 30

Exhibit C-7

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$2,688,032	\$2,493,341	\$2,229,830	\$2,130,657	\$2,073,777
Contributions in relation to the contractual required contributions	<u>2,688,032</u>	<u>2,493,341</u>	<u>2,229,830</u>	<u>2,130,657</u>	<u>2,073,777</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$284,487,684	\$266,289,696	\$265,732,163	\$252,947,516	\$242,527,457
Contributions as a percentage of covered payroll	0.94%	0.94%	0.84%	0.84%	0.86%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$1,924,258	\$1,468,548	\$1,476,499	\$1,398,022	\$1,245,976
Contributions in relation to the contractual required contributions	<u>1,924,258</u>	<u>1,468,548</u>	<u>1,476,499</u>	<u>1,398,022</u>	<u>1,245,976</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$240,462,954	\$235,330,934	\$237,796,109	\$224,935,326	\$202,678,708
Contributions as a percentage of covered payroll	0.80%	0.62%	0.62%	0.62%	0.61%

Changes since the Prior Actuarial Valuation

The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. This change lowered the participation rates, and updated the healthcare trend rate assumption.

Changes in Benefit Terms

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

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OTHER SUPPLEMENTARY INFORMATION

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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SPRING INDEPENDENT SCHOOL DISTRICT**Exhibit D-1****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND****For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local and intermediate sources	\$71,549,529	\$75,419,529	\$75,678,630	\$259,101
State program revenues	1,337,826	2,219,138	2,460,003	240,865
Total Revenues	72,887,355	77,638,667	78,138,633	499,966
EXPENDITURES				
Debt Service:				
Principal on long-term debt	40,903,400	37,425,000	37,425,000	
Interest on long-term debt	28,595,562	28,595,562	28,595,561	1
Bond issuance costs and fees	100,000	100,000	34,500	65,500
Total Expenditures	69,598,962	66,120,562	66,055,061	65,501
Excess (deficiency) of revenues over (under) expenditures	3,288,393	11,518,105	12,083,572	565,467
OTHER FINANCING SOURCES				
Operating Transfers In		12,984,179	12,984,179	
Total Other Financing Sources (Uses)		12,984,179	12,984,179	
Net change in fund balance	3,288,393	24,502,284	25,067,751	565,467
FUND BALANCE, JULY 1	73,588,536	73,149,824	73,149,824	
FUND BALANCE, JUNE 30	\$76,876,929	\$97,652,108	\$98,217,575	\$565,467

Non-Major Governmental Fund

Special Revenue Funds

The Special Revenue Funds are used to account for the District's Child Nutrition operations, School Activity funds, and all non-major 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.

Elementary and Secondary Education Act (ESEA), Title I, Part A - Improving Basic Programs

Funds are used to provide opportunities for children to acquire the knowledge and skills contained in the challenging State content standards and to meet the State performance standards developed for all children.

Individuals with Disabilities Education Act (IDEA), Part B - Formula

Funds are used to operate educational programs for children with disabilities.

Individuals with Disabilities Education Act (IDEA), Part B - Preschool

Funds are used for preschool children with disabilities.

Individuals with Disabilities Education Act (IDEA), Part B, Discretionary

Funds are used to account for funds used to support a regional education service center (ESC) special education component.

Child Nutrition Fund

Accounts for all transactions in the District's Child Nutrition program. This includes the federally funded National School Lunch program, breakfast and supper programs.

Career and Technical Education - Basic

Funds are used to provide instruction related to career and technical education and to develop new and/or improved career and technical education programs for paid and unpaid employment.

Elementary and Secondary Education Act (ESEA), Title II, Part A – Teacher and Principal Training and Recruiting

Funds are used to improve student achievement through improving teacher and principal quality and increasing the number of highly qualified teachers, principals and assistant principals in schools to hold districts accountable for improving student academic achievement.

Elementary and Secondary Education Act (ESEA), Title III, Part A - English Language Acquisition and Language Enhancement

Funds are used to improve the education of limited English proficient children by assisting the children in learning the English language and meet challenging State academic content and student academic achievement standards.

21st Century Community Learning Centers

Funds are used to provide students and their families with out-of-school time services that offer an array of enrichment activities that complement regular academic programs and assist students in meeting academic standards in core subjects (math, reading, science, social studies).

Non-Major Governmental Fund

Special Revenue Funds (*continued*)

Medicaid Administrative Claiming Program

Funds are used to enhance, improve, or expand the level and quality of health and medical services provided to students.

Elementary and Secondary School Emergency Relief Fund (ESSER) II of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

Funds are used to account for federal stimulus ESSER II funds granted to LEAs through the CRRSA Act to support LEAs' ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic. (ALN 84.425D) (Education Stabilization Fund).

IDEA—Part B, Formula—American Rescue Plan Act of 2021

Funds are used to account for federal stimulus funds granted under the ARP Act to operate educational programs for children with disabilities. (ALN 84.027X) (ARP Act of 2021).

Child Care and Development Funds

Funds available under Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act. Funds are used for providing direct child care to eligible teen parents and staff of Spring ISD

Summer School Program for English Learners (ELs) in Kindergarten and First Grade

Funds are used for summer school programs for limited English proficient (LEP) students who will be eligible for admission to kindergarten and first grade at the beginning of the next school year.

Federally Funded Special Revenue Funds

Funds are used to improve students' academic achievement by providing all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology.

State Supplemental Visually Impaired (SSVI)

Funds received from the State Department of Education, passed through Region IV Educational Service Center, to provide orientation and mobility (O&M) services for students with visual impairments.

Advanced Placement Incentives

Funds are used to provide reimbursement for Advanced Placement teacher training approved by the College Board. Funds are also awarded to specific campuses based on student scores on Advanced Placement examinations and are to be used for enhancement of academic programs at awarded campus.

State Instructional Materials Fund

Funds are used for the purchase of instructional material, technological equipment, and technology-related services.

Non-Major Governmental Fund

Special Revenue Funds (*continued*)

State Funded Special Revenue Funds

Funds are used towards Reading Academies to increase the teachers' knowledge, understanding, and systematic use of effective, research-based, and scientifically validated reading instruction methods for students. Funds are also used towards the Math Innovation Zones program to improve academic outcomes in math for Pre-K through 8th grade to ultimately increase 8th grade Algebra I preparedness and participation. Also included are other state funded special revenue funds that have not been specified above.

School Activity Funds

Accounts for transactions of school sponsored activities benefiting students and staff. This includes fund raising activities, vending sales, incentive programs, and corporate and private donations.

Locally Funded Special Revenue Funds

Locally funded special revenue funds not specified above.

Randall Reed's Plant Ford Fund

Funds used for the maintenance and operations of Plant Ford Stadium and Community Center.

Locally Funded Scholarships

Funds are awarded to graduating high school seniors in recognition of their capacity to lead and serve, and their commitment to making a significant impact on their schools and communities.

Career and Technology Education (CTE) Advisory Board Grants

Funds are used to expand and improve the CTE program.

Spring Education Foundation Grants

Funds awarded by the Spring Education Foundation to provide support for teachers and students to promote the district's mission of providing every student with a quality education.

SPRING INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023

	ESEA Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary
<u>ASSETS</u>				
Cash				
Temporary investments				
Due from governmental agencies	\$3,501,700	\$262,843	\$7,905	\$66,755
Interfund receivables	101	20,511		
Other receivables				
Inventories, at cost				
TOTAL ASSETS	<u>\$3,501,801</u>	<u>\$283,354</u>	<u>\$7,905</u>	<u>\$66,755</u>
<u>LIABILITIES</u>				
Accounts payable	\$87,395	\$116,182		
Accrued salaries and expenditures	1,948,293	58,336		
Interfund payables	1,466,112	108,836	7,905	\$66,755
Due to state and others				
Unearned revenue				
Total Liabilities	<u>3,501,801</u>	<u>283,354</u>	<u>7,905</u>	<u>66,755</u>
<u>FUND BALANCES</u>				
Non-spendable:				
Inventory				
Prepaid				
Restricted:				
Grant funds				
Capital projects				
Committed:				
Capital projects				
School activity funds				
Assigned:				
Other				
Total Fund Balances				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$3,501,801</u>	<u>\$283,354</u>	<u>\$7,905</u>	<u>\$66,755</u>

Child Nutrition	Career and Technical Education Basic Grant	ESEA Title II Part A Teacher and Principal Training and Recruiting	ESEA Title III Part A English Language Acquisition and Enhancement	21st Century Community Learning Centers Cycle 9
\$17,257				
12,135,907				
3,727,553	\$46,456	\$320,203	\$124,157	\$121,645
			67	9,025
			375	1,335
20,349				
<u>\$15,901,066</u>	<u>\$46,456</u>	<u>\$320,203</u>	<u>\$124,599</u>	<u>\$132,005</u>
\$91,665	\$30,786	\$42,489	\$1,378	\$32,813
(52,780)		\$1,876	19,208	32,586
65,224	15,670	275,838	104,013	66,606
<u>104,109</u>	<u>46,456</u>	<u>320,203</u>	<u>124,599</u>	<u>132,005</u>
20,349				
15,776,608				
<u>15,796,957</u>				
<u>\$15,901,066</u>	<u>\$46,456</u>	<u>\$320,203</u>	<u>\$124,599</u>	<u>\$132,005</u>

SPRING INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Medicaid Administrative Claiming Program	CRRSA ESSER II Fund	IDEA-B Formula ARP Fund	Child Care and Development Fund
<u>ASSETS</u>				
Cash				
Temporary investments				
Due from governmental agencies		\$4,486,899	\$151,068	
Interfund receivables	\$21,920	22,153		\$186,939
Other receivables				
Inventories, at cost				
TOTAL ASSETS	<u>\$21,920</u>	<u>\$4,509,052</u>	<u>\$151,068</u>	<u>\$186,939</u>
<u>LIABILITIES</u>				
Accounts payable		\$3,145,650		
Accrued salaries and expenditures				
Interfund payables		1,363,403	\$151,068	
Due to state and others				
Unearned revenue	<u>\$21,920</u>			<u>\$186,939</u>
Total Liabilities	<u>21,920</u>	<u>4,509,052</u>	<u>151,068</u>	<u>186,939</u>
<u>FUND BALANCES</u>				
Non-spendable:				
Inventory				
Prepaid				
Restricted:				
Grant funds				
Capital projects				
Committed:				
Capital projects				
School activity funds				
Assigned:				
Other				
Total Fund Balances				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$21,920</u>	<u>\$4,509,052</u>	<u>\$151,068</u>	<u>\$186,939</u>

Summer School Program for EL in Kindergarten and First Grade Reimbursement	Federally Funded Special Revenue Funds	Region IV SSVI Grant	Advanced Placement Incentives	State Instructional Materials Fund
\$3,020	\$218,151			\$342,087
4,754	6,335		\$2,202	
	350		86	
<u>\$7,774</u>	<u>\$224,836</u>		<u>\$2,288</u>	<u>\$342,087</u>
	\$20,292			\$238,593
	105,933			
	98,611			93,440
<u>\$7,774</u>				<u>10,054</u>
<u>7,774</u>	<u>224,836</u>			<u>342,087</u>
			2,288	
			2,288	
<u>\$7,774</u>	<u>\$224,836</u>	<u>\$</u>	<u>\$2,288</u>	<u>\$342,087</u>

SPRING INDEPENDENT SCHOOL DISTRICT**COMBINING BALANCE SHEET****NON-MAJOR GOVERNMENTAL FUNDS****June 30, 2023**

	State Funded Special Revenue Funds	School Activity Funds	Locally Funded Special Revenue Funds
<u>ASSETS</u>			
Cash		\$1,303,503	
Temporary investments			
Due from governmental agencies	\$5,290,939		
Interfund receivables	27		\$974,161
Other receivables		11,932	7,534
Inventories, at cost			
TOTAL ASSETS	<u>\$5,290,966</u>	<u>\$1,315,435</u>	<u>\$981,695</u>
<u>LIABILITIES</u>			
Accounts payable	\$857,300	\$682	\$5,701
Accrued salaries and expenditures	387,581		8,176
Interfund payables	4,046,057	29,932	
Unearned revenue	28		967,818
Total Liabilities	<u>5,290,966</u>	<u>30,614</u>	<u>981,695</u>
<u>FUND BALANCES</u>			
Non-spendable:			
Inventory			
Prepaid			
Restricted:			
Grant funds			
Capital projects			
Committed:			
Capital projects			
School activity funds		1,284,821	
Assigned:			
Other			
Total Fund Balances		<u>\$1,284,821</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$5,290,966</u>	<u>\$1,315,435</u>	<u>\$981,695</u>

Locally Funded Planet Ford Funds	Locally Funded Scholarships	CTE Advisory Board Grants	Spring Education Foundation Grants	Total Non-Major Governmental Funds
				\$1,320,760
				12,135,907
				18,671,380
\$147,777	\$11,650	\$6,241	\$6,463	1,420,324
			2,000	23,613
				20,349
<u>\$147,777</u>	<u>\$11,650</u>	<u>\$6,241</u>	<u>\$8,463</u>	<u>\$33,592,333</u>
\$3,478			\$4,006	\$4,678,411
				2,509,209
				7,959,468
	\$11,650	\$5,762	4,457	1,216,401
<u>3,478</u>	<u>11,650</u>	<u>5,762</u>	<u>8,463</u>	<u>16,363,489</u>
				20,349
144,299		479		15,923,674
				1,284,821
<u>144,299</u>		<u>479</u>		<u>17,228,844</u>
<u>\$147,777</u>	<u>\$11,650</u>	<u>\$6,241</u>	<u>\$8,463</u>	<u>\$33,592,333</u>

SPRING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	ESEA Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary
REVENUES				
Local and intermediate sources				
State program revenues				
Federal program revenues	\$13,127,879	\$4,903,259	\$77,527	\$92,297
Total Revenues	<u>13,127,879</u>	<u>4,903,259</u>	<u>77,527</u>	<u>92,297</u>
EXPENDITURES				
Current:				
Instruction	7,882,238	843,591		92,297
Instructional resources and media services	1,329,267			
Curriculum and staff development	2,748,219	108,418		
Instructional leadership	188,731			
School leadership	201,438			
Guidance and counseling services	9,065	3,772,491	77,527	
Social Work Services	12,378			
Health services	1,511			
Student (pupil) transportation	154,739			
Child nutrition services				
Co-curricular activities				
General administration				
Plant maintenance and operations	269			
Security and monitoring services				
Data processing services				
Community services	600,024	31,936		
Capital Outlay:				
Facilities acquisition and construction				
Intergovernmental Charges:				
Fiscal agent/shared services arrangement		146,823		
Total Expenditures	<u>13,127,879</u>	<u>4,903,259</u>	<u>77,527</u>	<u>92,297</u>
Excess (deficiency) of revenues over (under) expenditures				
OTHER FINANCING SOURCES				
Transfers in				
Transfers out				
Total Other Financing Sources				
Net change in fund balances				
FUND BALANCES, JULY 1				
FUND BALANCES, JUNE 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Child Nutrition	Career and Technical Education Basic Grant	ESEA Title II Part A Teacher and Principal Training and Recruiting	ESEA Title III Part A English Language Acquisition and Enhancement	21st Century Community Learning Centers Cycle
\$1,662,853 98,607				
31,051,624	\$680,491	\$1,248,678	\$871,870	\$1,422,687
32,813,084	680,491	1,248,678	871,870	1,422,687
	529,824		129,711	399,292
	150,667	1,046,627 183,894 18,157	737,513	339 827,576 101,118
25,969,369				
343,717 6,840				301
			4,646	94,061
26,319,926	680,491	1,248,678	871,870	1,422,687
6,493,158				
33,801				
33,801				
6,526,959				
9,269,998				
\$15,796,957	\$	\$	\$	\$

SPRING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	Medicaid Administrative Claiming Program	CRRSA ESSER II Fund	IDEA B Formula-ARP Fund	Child Care and Development Fund
REVENUES				
Local and intermediate sources				
State program revenues				
Federal program revenues	\$69,284	\$17,520,270	\$1,282,617	\$15,518
Total Revenues	<u>69,284</u>	<u>17,520,270</u>	<u>1,282,617</u>	<u>15,518</u>
EXPENDITURES				
Current:				
Instruction		10,081,107		
Instructional resources and media services		129,063		
Curriculum and staff development		279,654		
Instructional leadership		176,178		
School leadership		910,882		
Guidance and counseling services		182,044	1,282,617	
Social Work		6,085		
Health services	69,284	70,984		
Student (pupil) transportation		325,593		
Child nutrition services		629,593		
Co-curricular activities		552,130		
General administration				
Plant maintenance and operations		718,124		
Security and monitoring services		143,511		
Data processing services		50,206		
Community services		41,843		15,518
Capital Outlay:				
Facilities acquisition and construction		3,223,273		
Intergovernmental Charges:				
Fiscal agent/shared services arrangement				
Total Expenditures	<u>69,284</u>	<u>17,520,270</u>	<u>1,282,617</u>	<u>15,518</u>
Excess (deficiency) of revenues over (under) expenditures				
OTHER FINANCING SOURCES				
Transfers in				
Transfers out				
Total Other Financing Sources				
Net change in fund balances				
FUND BALANCES, JULY 1				
FUND BALANCES, JUNE 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Summer School Program for EL in Kindergarten and First Grade Reimbursement	Federally Funded Special Revenue Funds	Region IV SSVI Grant	Advanced Placement Incentives	State Instructional Materials Fund
		\$20,000	\$9,080	\$1,120,811
<u>\$31,253</u>	<u>\$891,553</u>			
<u>31,253</u>	<u>891,553</u>	<u>20,000</u>	<u>9,080</u>	<u>1,120,811</u>
31,253	213,902	20,000	12	1,120,811
	275,518		358	
	25,971			
	281,928		8,710	
	21,782			
	64,017			
	8,434			
<u>31,253</u>	<u>891,553</u>	<u>20,000</u>	<u>9,080</u>	<u>1,120,811</u>
			2,288	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$2,288</u>	<u>\$</u>

SPRING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	State Funded Special Revenue Funds	School Activity Funds	Locally Funded Special Revenue Funds
REVENUES			
Local and intermediate sources		\$2,074,450	\$245,587
State program revenues	\$13,110,909		
Federal program revenues			
Total Revenues	<u>13,110,909</u>	<u>2,074,450</u>	<u>245,587</u>
EXPENDITURES			
Current:			
Instruction	5,126,827	1,973,322	30,090
Instructional resources and media services	28		649
Curriculum and staff development	7,978,574		38,245
Instructional leadership			112,352
School leadership	5,480		8,323
Guidance and counseling services			
Social work			
Health services			
Student (pupil) transportation			
Child nutrition services			
Co-curricular activities			13,049
General administration			
Plant maintenance and operations			13,069
Security and monitoring services			5,711
Data processing services			
Community services			24,099
Capital Outlay:			
Facilities acquisition and construction			
Intergovernmental Charges:			
Fiscal agent/shared services arrangement			
Total Expenditures	<u>13,110,909</u>	<u>1,973,322</u>	<u>245,587</u>
Excess (deficiency) of revenues over (under) expenditures		<u>101,128</u>	
OTHER FINANCING SOURCES			
Transfers in			
Transfers out			
Total Other Financing Sources			
Net change in fund balances		101,128	
FUND BALANCES, JULY 1		<u>1,183,693</u>	
FUND BALANCES, JUNE 30	<u>\$</u>	<u>\$1,284,822</u>	

Local Planet Ford Stadium	Locally Funded Scholarships	CTE Advisory Board Grants	Spring Education Foundation Grants	Total Non-Major Governmental Funds
\$99,921	\$166,250	\$12,931	\$31,173	\$4,293,165
				14,359,408
				73,286,807
99,921	166,250	12,931	31,173	91,939,380
		11,723	14,599	28,500,600
			953	1,459,960
		495	92	13,364,719
				1,514,703
				1,245,398
		713	1,846	5,616,941
				18,463
				163,561
				480,332
				26,598,962
66,291				695,486
				1,075,480
				156,061
				50,205
	166,250		13,683	1,000,495
				3,223,273
66,291	166,250	12,931	31,173	146,823
				85,311,462
33,630				6,627,918
				33,801
				33,801
33,630				6,661,719
110,668		479		10,567,125
\$144,298	\$	\$479	\$	\$17,228,844

SPRING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CHILD NUTRITION FUND
For the Fiscal Year Ended June 30, 2023

Exhibit E-3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local and intermediate sources	\$1,790,000	\$1,790,000	\$1,662,853	(\$127,147)
State program revenues	150,000	150,000	98,607	(51,393)
Federal program revenues	26,600,000	33,100,000	31,051,624	(2,048,376)
Total Revenues	28,540,000	35,040,000	32,813,084	(2,226,916)
EXPENDITURES				
Child nutrition services:				
Payroll costs	11,641,000	11,641,000	9,752,790	1,888,210
Purchased and contracted services	99,500	99,500	77,066	22,434
Supplies and materials	15,760,300	16,258,712	15,550,788	707,924
Other operating expenses	91,750	141,750	105,900	35,850
Capital outlay	200,000	500,000	482,825	17,175
Plant maintenance and operations:				
Purchased and contracted services	425,000	425,000	343,717	81,283
Security and monitoring services:				
Payroll costs	9,500	9,500	6,840	2,660
Total Expenditures	28,227,050	29,075,462	26,319,926	2,755,536
Excess (deficiency) of revenues over (under) expenditures	312,950	5,964,538	6,493,158	528,620
OTHER FINANCING SOURCES				
Transfers in			33,801	33,801
Total Other Financing Sources			33,801	33,801
Net change in fund balance	312,950	5,964,538	6,526,959	562,421
FUND BALANCE, JULY 1	6,309,143	9,269,998	9,269,998	
FUND BALANCE, JUNE 30	\$6,622,093	\$15,234,536	\$15,796,957	\$562,421

Compliance Schedule

This compliance schedule is required by the Texas Education Agency and is not a required disclosure in the Annual Comprehensive Financial Report.

SPRING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Fiscal Year Ended June 30, 2023

Last Ten Years Ended June 30	Tax Rates		Actual Taxable Value For School Tax Purposes	Beginning Balance 7/1/2022
	Maintenance	Debt Service		
2014 and prior years	Various	Various	Various	1,540,129
2015	1.04000	0.47000	9,048,303,759	279,333
2016	1.04000	0.42996	10,637,855,830	276,067
2017	1.04000	0.42996	11,673,757,226	309,270
2018	1.04000	0.47000	12,563,178,654	453,928
2019	1.06000	0.45000	13,098,329,077	505,496
2020	0.97000	0.46000	14,340,088,297	829,379
2021	0.93430	0.45000	15,414,173,041	1,228,984
2022	0.90280	0.41000	16,227,963,611	3,596,001
2023	0.85460	0.40000	17,727,749,647	
				<u>\$9,018,587</u>

Under the Texas Tax Code 26.115 (c), 317 accounts were identified for a total refunded amount of \$89,661.

Taxes Paid into Tax Increment Reinvestment Zone Under Chapter 311, Tax Code. \$1,224,712

Exhibit F-1

<u>Current Year's Total Levy</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 6/30/2023</u>
	49,567	19,509	(76,370)	1,394,683
	11,253	5,085	(96)	262,898
	10,877	4,497	(268)	260,425
	17,894	7,398	(421)	283,557
	21,028	13,738	(7,695)	411,467
	31,832	28,863	(30,825)	413,976
	(55,721)	55,420	(310,504)	519,176
	(834,986)	130,320	(1,081,982)	851,668
	(686,137)	787,031	(2,374,303)	1,120,804
<u>\$228,877,565</u>	<u>152,871,213</u>	<u>71,552,165</u>	<u> </u>	<u>4,454,187</u>
<u><u>\$228,877,565</u></u>	<u><u>\$151,436,819</u></u>	<u><u>\$72,604,026</u></u>	<u><u>(\$3,882,465)</u></u>	<u><u>\$9,972,842</u></u>
Add: Penalties & Interest Receivable				<u>5,370,760</u>
Total Taxes Receivable				<u><u>\$15,343,602</u></u>

SPRING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF COMPENSATORY EDUCATION PROGRAM
AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
June 30, 2023

Exhibit F-2

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes - Spring ISD Education Department General Administrative Regulations Section 2.1.5
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$44,113,148
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$25,732,720
Data Codes	Section B: Bilingual Education Programs	Responses
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes - Spring ISD Education Department General Administrative Regulations Section 2.1.5
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$6,786,963
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$3,813,757



spring
ISD

STATISTICAL
Section



STATISTICAL Section

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Statistical tables are used to provide detailed data on the physical, economic, social and political characteristics of a government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements. The information is provided in five categories.

Financial Trends Information

Intended to assist users in understanding and assessing how a district's financial position has changed over time.

Revenue Capacity Information

Intended to assist users in understanding and assessing the factors affecting the District's ability to generate its own-source revenues.

Debt Capacity Information

Intended to assist users in understanding and assessing the District's debt burden and its ability to issue additional debt.

Demographic and Economic Information

Intended to assist users in understanding the socioeconomic environment within which the District operates and to provide information that facilitates comparisons of financial statement information over time and among other school districts.

Operating Information

Intended to provide contextual information about the District's operations and resources to assist readers in using financial statement information to understand and assess the District's economic condition.

The District's statistical tables usually cover ten fiscal years and often present data from outside the accounting records. The source of information is from District data found in this report, unless indicated otherwise. The tables are unaudited due to the nature of the information contained therein.

SPRING INDEPENDENT SCHOOL DISTRICT***NET POSITION BY COMPONENT******Last Ten Fiscal Years******(accrual basis of accounting)******(Unaudited)***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental Activities:				
Net investment in capital assets	\$63,213,532	\$53,196,521	\$44,534,372	\$39,605,746
Restricted	101,707,993	74,043,967	66,374,930	61,475,271
Unrestricted	<u>(148,282,533)</u>	<u>(134,869,363)</u>	<u>(153,236,840)</u>	<u>(120,140,381)</u>
Total Primary Government Net Position	<u><u>\$16,638,992</u></u>	<u><u>(\$7,628,875)</u></u>	<u><u>(\$42,327,538)</u></u>	<u><u>(\$19,059,364)</u></u>

(1) The District implemented GASB Statement No. 68 in 2015. The effects of this statement were not applied to previous years.

(2) The District implemented GASB Statement No. 75 in 2018. The effects of this statement were not applied to previous years.

Source: District Financial Statements

Table 1

<u>2019</u>	<u>2018 (2)</u>	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>
\$34,470,958	\$23,310,013	\$17,833,453	\$4,148,051	(\$4,105,305)	(\$16,627,567)
60,241,147	55,052,320	47,249,154	45,657,215	41,660,869	37,210,876
<u>(104,949,713)</u>	<u>(113,534,263)</u>	<u>52,903,402</u>	<u>61,418,605</u>	<u>58,236,968</u>	<u>88,050,992</u>
<u><u>(\$10,237,608)</u></u>	<u><u>(\$35,171,930)</u></u>	<u><u>\$117,986,009</u></u>	<u><u>\$111,223,871</u></u>	<u><u>\$95,792,532</u></u>	<u><u>\$108,634,301</u></u>

SPRING INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020
Expenses:				
Governmental Activities:				
Instruction	\$259,167,126	\$220,175,209	\$241,835,471	\$243,666,374
Instructional resources and media services	5,066,614	4,615,823	4,885,731	4,930,008
Curriculum and staff development	18,487,466	11,935,152	10,982,336	9,930,777
Instructional leadership	12,851,002	11,205,026	10,856,861	11,239,721
School leadership	28,917,968	25,264,998	25,969,486	26,281,214
Guidance and counseling services	18,665,978	17,211,689	18,184,082	18,285,681
Social work services	542,364	525,049	581,707	580,413
Health services	3,197,802	3,669,990	4,197,976	3,382,338
Student (pupil) transportation	19,392,732	16,541,610	15,390,325	15,900,731
Child nutrition services	28,536,044	25,527,350	21,299,498	25,974,075
Co-curricular activities	9,548,654	8,975,684	8,484,198	7,285,082
General administration	19,385,111	25,208,029	12,821,302	13,253,838
Plant maintenance and operations	44,424,836	40,412,128	46,568,629	40,753,335
Security and monitoring services	9,686,844	7,765,391	7,431,619	7,213,046
Data processing services	12,800,593	10,591,797	10,380,293	10,699,787
Community services	1,671,907	1,865,917	1,780,791	1,756,214
Interest and fiscal charges	30,257,678	25,849,923	28,670,657	30,415,744
Fiscal agent/shared services arrangement	146,823	66,584	9,945	7,900
Alternative education	9,100	82,800	59,400	17,000
Payments to tax increment fund	1,224,712	1,061,489	1,003,490	919,413
Other intergovernmental charges	1,596,075	1,506,040	1,486,559	1,466,198
Total Primary Government Expense	<u>525,577,429</u>	<u>460,057,678</u>	<u>472,880,356</u>	<u>473,958,889</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Instructional	9,856,229	3,997,398	968,644	1,635,157
Child nutrition services	1,234,610	1,169,994	386,308	1,346,502
Co-curricular activities	617,720	452,200	206,110	220,068
General administration	12,383,705	4,422,280	49,633	38,663
Other activities	1,071,224	451,649	47,644	215,109
Operating Grants and Contributions	<u>133,511,672</u>	<u>117,182,744</u>	<u>80,495,501</u>	<u>93,473,848</u>
Total Primary Government Program Revenues	<u>158,675,160</u>	<u>127,676,265</u>	<u>82,153,840</u>	<u>96,929,347</u>
Net Expense				
Total Primary Government Expense	<u>(366,902,269)</u>	<u>(332,381,413)</u>	<u>(390,726,516)</u>	<u>(377,029,542)</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Property taxes - maintenance & operations	152,897,184	140,010,682	140,078,372	135,310,984
Property taxes - debt service	73,660,999	65,272,013	68,715,087	65,504,269
State aid - formula grants	141,300,386	148,074,288	152,554,943	154,977,374
Other grants and contributions not restricted	9,068,748	11,169,164	4,823,625	5,979,622
Investment earnings	11,602,166	369,840	249,295	4,807,782
Miscellaneous	<u>2,640,653</u>	<u>2,184,089</u>	<u>969,398</u>	<u>1,627,755</u>
Total Primary Government General Revenues	<u>391,170,136</u>	<u>367,080,076</u>	<u>367,390,720</u>	<u>368,207,786</u>
Change in Net Position				
Total Primary Government	<u><u>\$24,267,867</u></u>	<u><u>\$34,698,663</u></u>	<u><u>(\$23,335,796)</u></u>	<u><u>(\$8,821,756)</u></u>

- (1) The District implemented GASB Statement No. 68 in 2015. The effects of this statement were not applied to previous years.
(2) The District implemented GASB Statement No. 75 in 2018. The effects of this statement were not applied to previous years.

Source: District Financial Statements

Table 2

2019	2018 (2)	2017	2016	2015 (1)	2014
\$221,328,291	\$147,616,967	\$211,131,031	\$220,917,996	\$200,672,661	\$185,374,445
4,746,773	2,115,612	3,043,969	3,235,183	3,326,213	3,245,973
8,358,199	5,563,655	4,972,034	5,606,097	4,707,787	6,392,925
11,053,479	6,233,209	7,838,131	5,962,640	5,452,002	4,769,655
24,203,136	12,545,997	20,669,023	20,413,179	18,757,237	17,437,890
15,180,620	8,635,608	13,370,399	12,792,143	11,173,753	10,284,637
589,023	365,591	303,548	314,552	310,958	276,129
3,113,606	1,726,200	2,980,482	2,925,458	2,648,190	2,549,971
17,907,605	12,885,874	15,056,419	14,235,282	12,912,001	12,698,192
27,487,164	21,815,052	25,691,944	25,592,851	24,923,670	23,525,646
7,430,235	5,301,056	7,074,286	6,680,008	6,690,576	6,135,566
12,581,802	9,084,446	13,334,190	13,059,842	11,096,494	8,324,281
35,338,383	29,021,983	33,302,336	32,486,203	32,690,193	32,659,710
6,550,805	4,610,893	5,791,838	5,864,048	5,216,445	4,681,079
9,161,986	5,768,085	5,572,716	5,943,976	5,999,730	6,357,719
1,558,176	666,657	1,661,245	926,728	983,279	742,325
29,010,433	29,153,091	25,199,003	21,050,064	23,806,578	26,219,225
18,816	15,469	28,503	27,521	40,338	42,047
64,800		118,800	78,158		58,860
695,707	596,952	579,271	482,378	406,144	400,809
1,411,069	1,339,461	1,214,247	1,121,057	1,022,820	882,110
437,790,108	305,061,858	398,933,415	399,715,364	372,837,069	353,059,194
2,222,661	2,027,060	48,404	48,072	253,790	146,955
1,966,665	2,408,198	3,068,031	2,196,779	3,799,047	4,183,602
255,066	247,280	263,884	285,741	363,696	305,447
55,896	51,220	37,915	80,277	31,033	64,458
373,164	382,300	648,531	590,901	732,744	594,684
78,609,832	6,431,240	65,740,349	72,127,697	67,386,549	67,309,324
83,483,284	11,547,298	69,807,114	75,329,467	72,566,859	72,604,470
(354,306,824)	(293,514,560)	(329,126,301)	(324,385,897)	(300,270,210)	(280,454,724)
134,664,416	126,691,937	119,015,698	106,369,843	92,441,545	78,616,531
58,043,198	59,511,740	50,871,222	45,356,178	43,035,371	41,041,329
166,425,430	156,300,370	158,023,522	182,341,681	188,287,009	184,798,700
11,029,559	6,758,467	5,900,326	4,520,515	6,691,212	5,582,044
7,955,011	4,429,999	1,463,330	412,127	343,398	288,610
1,123,532	558,291	614,341	816,892	268,447	1,106,132
379,241,146	354,250,804	335,888,439	339,817,236	331,066,982	311,433,346
\$24,934,322	\$60,736,244	\$6,762,138	\$15,431,339	\$30,796,772	\$30,978,622

SPRING INDEPENDENT SCHOOL DISTRICT**FUND BALANCES - GOVERNMENTAL FUNDS***Last Ten Fiscal Years**(modified accrual basis of accounting)**(Unaudited)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund:				
Non-spendable	\$10,193,642	\$8,539,010	\$7,247,687	\$6,770,541
Committed	500,000	5,000,000	5,000,000	5,000,000
Assigned	43,865,982	40,796,750	41,836,403	45,676,543
Unassigned	<u>37,862,584</u>	<u>58,186,196</u>	<u>48,490,220</u>	<u>65,300,238</u>
Total General Fund	<u><u>\$92,422,208</u></u>	<u><u>\$112,521,956</u></u>	<u><u>\$102,574,310</u></u>	<u><u>\$122,747,322</u></u>
All Other Governmental Funds:				
Non-spendable	\$989,674	\$337,724	\$90,539	\$37,000
Restricted	417,760,802	88,767,427	87,027,639	114,894,548
Committed	1,284,821	1,183,693	1,128,893	1,167,389
Assigned	<u>714,846</u>	<u>2,150,957</u>	<u>4,893,220</u>	<u>13,941,396</u>
Total All Other Governmental Funds	<u><u>\$420,750,143</u></u>	<u><u>\$92,439,801</u></u>	<u><u>\$93,140,291</u></u>	<u><u>\$130,040,333</u></u>

Source: District Financial Statements

Table 3

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$5,025,849	\$4,523,146	\$4,208,233	\$4,272,366	\$4,007,619	\$4,318,465
5,000,000					
45,852,355	47,963,096	46,630,423	44,637,583	41,326,069	19,762,188
<u>70,031,772</u>	<u>53,747,813</u>	<u>49,667,312</u>	<u>51,325,204</u>	<u>46,918,735</u>	<u>58,126,710</u>
<u><u>\$125,909,976</u></u>	<u><u>\$106,234,055</u></u>	<u><u>\$100,505,968</u></u>	<u><u>\$100,235,153</u></u>	<u><u>\$92,252,423</u></u>	<u><u>\$82,207,363</u></u>
\$74,000				\$117,069	\$246,901
236,827,581	\$254,461,903	\$277,585,903	\$55,811,059	55,839,396	55,366,276
1,194,333	1,209,526	993,155	1,003,793	1,148,926	967,291
<u>8,827,025</u>	<u>6,375,903</u>	<u>4,038,323</u>	<u>5,922,193</u>		
<u><u>\$246,922,939</u></u>	<u><u>\$262,047,332</u></u>	<u><u>\$282,617,381</u></u>	<u><u>\$62,737,045</u></u>	<u><u>\$57,105,391</u></u>	<u><u>\$56,580,468</u></u>

SPRING INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020
REVENUES:				
Local Revenues:				
Property taxes	\$225,558,880	\$205,919,006	\$207,348,351	\$199,511,861
Tuition and fees	150,396	129,254	125,863	146,443
Earnings on investments	11,602,165	369,840	249,295	4,807,782
Food sales	1,234,610	1,169,994	386,308	1,346,502
Other local	5,301,584	3,854,568	1,928,890	3,456,688
Total Local Revenues	243,847,635	211,442,662	210,038,707	209,269,276
State Revenues	177,162,764	171,688,987	175,834,707	182,624,952
Federal Intergovernmental Revenues	118,228,822	103,347,896	60,193,466	56,434,206
Total Revenues	539,239,221	486,479,545	446,066,880	448,328,434
EXPENDITURES:				
Current:				
Instruction	250,725,039	216,562,431	226,689,870	214,555,096
Instructional resources and media services	4,458,582	4,127,863	4,143,704	3,940,249
Curriculum and staff development	18,189,214	12,023,251	10,658,432	9,130,201
Instructional leadership	11,996,355	10,911,436	10,088,234	10,081,730
School leadership	27,909,210	25,869,648	25,001,501	23,453,378
Guidance and counseling services	18,356,723	17,697,532	17,739,171	16,716,594
Social work services	518,036	536,151	578,041	564,413
Health services	3,094,259	3,064,908	4,083,244	2,997,281
Student (pupil) transportation	17,180,452	15,273,698	15,010,329	14,167,968
Child nutrition services	26,605,322	23,679,948	18,866,642	22,997,677
Co-curricular activities	7,523,059	7,108,876	6,386,671	5,750,449
General administration	13,815,864	12,305,254	12,111,734	12,184,705
Plant maintenance and operations	33,761,319	32,481,751	33,204,735	29,326,821
Security and monitoring services	7,388,906	7,715,897	11,035,282	16,325,289
Data processing services	12,403,556	8,135,556	9,700,488	9,459,386
Community services	1,587,522	1,815,957	1,656,221	1,531,415
Debt Service:				
Principal on long-term debt	38,330,859	35,343,911	32,220,032	30,336,891
Interest on long-term debt	28,674,292	30,393,149	32,293,062	34,113,004
Bond issuance costs and fees	2,169,059	1,932,175	23,045	329,071
Capital Outlay:				
Facilities acquisition and construction	7,089,030	4,598,796	29,313,835	110,524,380
Intergovernmental Charges:				
Fiscal agent/shared services arrangement	146,823	66,584	9,945	7,900
Alternative education	9,100	82,800	59,400	17,000
Payments to tax increment fund	1,224,712	1,061,489	1,003,490	919,413
Other governmental charges	1,596,075	1,506,040	1,486,559	1,466,198
Total Expenditures	534,753,368	474,295,101	503,363,667	570,896,509
Excess (deficiency) of revenues over (under) expenditures	4,485,853	12,184,444	(57,296,787)	(122,568,075)
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued		35,590,000		29,425,000
Issuance of capital related bonds	293,460,000			
Sale of property	148,613	304,518	156,111	12,260
Issuance of capital leases				49,296
Transfers in	13,017,980	43,802	373,247	10,380,610
Premium on issuance of bonds	21,658,738	2,461,375		4,446,084
Transfers out	(24,560,589)	(3,758,317)	(373,247)	(10,380,610)
Payment to refunded bond escrow agent		(37,578,666)		(33,544,065)
Total Other Financing Sources (Uses)	303,724,742	(2,937,288)	156,111	388,575
Special item - Sale of land				2,134,240
Net Change in Fund Balances	\$308,210,595	\$9,247,156	(\$57,140,676)	(\$120,045,260)
Debt Service (Principal and Interest) as a Percentage of Non-Capital Expenditures	13.0%	14.0%	13.7%	14.3%

Source: District Financial Statements

Table 4

2019	2018	2017	2016	2015	2014
\$193,885,187	\$185,527,945	\$169,287,132	\$155,187,053	\$135,051,973	\$119,496,849
123,645	135,892	437,059	430,369	506,183	613,691
7,955,011	4,429,999	1,463,330	412,127	343,398	288,610
1,966,665	2,408,198	3,068,031	2,196,779	3,799,047	4,183,602
4,088,811	3,674,050	3,491,215	3,676,710	3,725,426	7,088,279
208,019,319	196,176,084	177,746,767	161,903,038	143,426,027	131,671,031
184,815,037	179,467,184	177,549,053	209,506,721	219,068,418	213,232,821
62,015,918	54,432,854	46,553,731	39,229,885	41,321,972	38,873,725
454,850,274	430,076,122	401,849,551	410,639,644	403,816,417	383,777,577
197,029,228	206,956,086	195,033,653	200,546,743	198,042,041	176,061,895
3,880,598	2,518,337	2,504,371	2,689,866	2,816,379	2,733,490
7,986,199	6,357,513	4,873,373	5,504,635	4,708,626	6,379,967
10,152,284	9,398,857	7,470,612	5,680,390	5,311,001	4,656,689
21,997,446	19,772,204	19,496,626	19,238,474	18,362,263	17,030,764
14,026,345	12,980,559	12,797,529	12,210,714	11,164,552	10,210,073
576,023	387,586	302,597	313,452	310,199	276,142
2,806,560	2,776,430	2,835,301	2,754,207	2,588,912	2,486,859
15,375,207	23,081,943	13,628,775	12,348,694	13,659,005	11,383,272
24,915,309	22,746,701	23,290,317	23,332,751	23,467,837	21,978,319
5,986,327	5,378,851	5,773,869	5,299,320	5,449,820	4,961,956
11,779,127	12,009,524	12,941,353	12,950,792	10,943,549	8,360,087
27,018,538	27,522,222	27,458,145	26,592,099	26,968,515	27,233,765
9,763,112	6,270,488	5,575,720	5,617,725	5,078,013	4,710,216
9,226,120	14,169,807	6,536,059	5,464,521	5,664,248	5,210,477
1,387,062	1,194,392	1,554,830	901,088	960,297	726,734
27,332,699	22,634,253	26,271,425	23,545,401	22,492,700	20,330,000
31,115,975	31,120,850	23,218,843	22,730,381	25,951,830	31,218,670
854,133	13,499,210	3,811,456	1,135,183	789,726	728,392
132,948,552	14,242,697	11,676,145	5,028,236	5,693,252	4,565,588
18,816	15,469	28,503	27,521	40,338	42,047
64,800		118,800	78,158		58,860
695,707	596,952	579,271	482,378	406,144	400,809
1,411,069	1,339,461	1,214,247	1,121,057	1,022,820	882,110
558,347,236	456,970,392	408,991,820	395,593,786	391,892,067	362,627,181
(103,496,962)	(26,894,270)	(7,142,269)	15,045,858	11,924,350	21,150,396
	64,000,000	80,120,000	136,870,000	76,865,000	71,115,000
98,070,000		198,715,000			
167,711	47,284	28,252	71,636	43,347	99,227
		195,862			1,418,101
8,093,502	3,120,783	3,516,336	6,235,493		
9,810,779	9,494,707	40,881,138	26,435,542	11,141,212	9,036,024
(8,093,502)	(3,120,783)	(3,516,336)	(6,235,493)		
	(61,489,683)	(92,646,832)	(164,808,652)	(89,403,926)	(79,240,000)
108,048,490	12,052,308	227,293,420	(1,431,474)	(1,354,367)	2,428,352
\$4,551,528	(\$14,841,962)	\$220,151,151	\$13,614,384	\$10,569,983	\$23,578,748
13.9%	12.6%	12.5%	11.9%	12.8%	14.5%

SPRING INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Table 5

Fiscal Year Ended June 30	Assessed Value							Actual Taxable Value	Total Direct Rate (1)
	Residential	Commercial Industrial and Multi-Family	Acreage	Vacant Lots and Tracts	Utilities	Mineral Reserves	Less: Exemptions		
2023	\$9,825,843,037	\$11,463,512,556	\$85,924,818	\$436,190,447	\$209,066,128	\$14,312,445	\$3,482,726,408	\$18,552,123,023	1.25460
2022	8,287,672,440	10,043,197,921	69,237,209	397,595,313	184,390,964	13,375,296	2,767,505,532	16,227,963,611	1.31280
2021	7,541,517,724	9,979,377,009	64,065,163	401,726,041	171,743,065	12,324,839	2,756,580,800	15,414,173,041	1.38430
2020	7,023,012,640	9,353,736,102	58,648,695	406,952,597	157,363,944	10,421,808	2,670,047,489	14,340,088,297	1.43000
2019	6,375,054,709	8,607,541,644	46,726,300	439,131,028	146,575,435	4,045,995	2,520,746,034	13,098,329,077	1.51000
2018	6,152,394,247	8,229,643,312	85,904,275	370,605,827	140,507,169	4,526,389	2,420,402,565	12,563,178,654	1.51000
2017	5,601,039,376	7,824,949,989	73,182,472	342,882,280	138,538,932	4,618,741	2,311,454,564	11,673,757,226	1.46996
2016	5,161,812,169	7,167,888,407	62,714,427	314,362,865	132,022,815	9,685,109	2,210,629,962	10,637,855,830	1.46996
2015	4,549,841,265	5,826,541,978	102,662,721	245,124,974	132,451,943	11,995,240	1,820,314,362	9,048,303,759	1.51000
2014	4,026,416,763	4,954,951,568	99,308,930	223,274,252	134,869,081	6,968,786	1,775,862,072	7,669,927,308	1.57000

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

Source: Harris County (Texas) Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority. Assessed value equals appraised value. Assessed value less exemptions equals actual taxable value. Actual taxable value times the tax rate set by the District's Board of Trustees each fall equals the tax levy.

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SPRING INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ACTUAL TAXABLE VALUE)
Last Ten Fiscal Years
(Unaudited)

	2023	2022	2021	2020
Bammel UD	\$0.37	\$0.37	\$0.37	\$0.37
C.N.P. UD	0.26	0.26	0.28	0.28
Cypresswood UD	0.31			
Fountainhead MUD	0.45			
Harris County (Includes Harris County Flood Control District)	0.37	0.41	0.42	0.44
Harris County Department of Education	0.00	0.00	0.00	0.01
Harris County Hospital District	0.15	0.16	0.17	0.17
Harris County ID #18	0.95	1.00	0.98	1.73
Harris County MUD #5	0.83	0.90	1.05	1.05
Harris County MUD #16	0.56	0.57	0.57	0.58
Harris County MUD #36	0.15	0.17	0.62	0.22
Harris County MUD #43	0.44	0.47	0.48	0.50
Harris County MUD #44	0.23	0.25	0.25	0.41
Harris County MUD #58	0.63	0.68	0.73	1.03
Harris County MUD #82	0.68	0.68	0.68	0.68
Harris County MUD #86	0.60	0.62	0.62	0.64
Harris County MUD #96	0.65	0.68	0.75	0.79
Harris County MUD #150	0.57	0.61	0.65	0.69
Harris County MUD #154	0.57	0.59	0.63	0.65
Harris County MUD #189	0.45	0.45	0.38	0.39
Harris County MUD #200	0.57	0.58	0.58	0.59
Harris County MUD #205	0.52	0.25	0.25	0.25
Harris County MUD #211	0.40	0.40	0.40	0.50
Harris County MUD #215	0.50	0.50	0.50	0.50
Harris County MUD #217	0.88	0.98	1.04	1.14
Harris County MUD #221	0.35	0.37	0.37	0.39
Harris County MUD #233	0.60	0.62	0.62	0.64
Harris County MUD #249	0.75	0.77	0.78	0.78
Harris County MUD #304	0.67	0.75	0.77	0.79
Harris County MUD #399	0.79	0.84	0.97	0.99
Harris County UD #16	0.67	0.69	0.77	0.81
Harris County WCID #91	0.25	0.27	0.28	0.29
Harris County WCID #92	0.13	0.14	0.15	0.15
Harris County WCID #99	0.16	0.16	0.00	0.37
Harris County WCID #109	0.23	0.25	0.25	0.25
Harris County WCID #110	0.33	0.36	0.37	0.39
Harris County WCID #132	0.30			
Harris County WCID #136	0.75	0.80	0.44	0.83
Houston, City of	0.53	0.55	0.56	0.57
Hunter's Glen MUD	0.66			
Inverness Forest ID	0.43	0.43	0.44	0.44
Lone Star College	0.11	0.11	0.11	0.11
Meadowhill Regional MUD	0.62			
North Forest MUD	0.26	0.51	0.55	0.60
North Park PUD	0.25	0.27	0.27	0.28
Northgate Crossing MUD #1	0.88	0.97	0.98	0.98
Northgate Crossing MUD #2	0.78	0.87	0.87	0.87
Northgate Crossing Rd. UD	0.09	0.11	0.11	0.12
Northwest Harris County MUD #20	0.21	0.24	0.25	0.25
Northwest Harris County MUD #21	0.21	0.23	0.22	0.24
Northwest Harris County MUD #22	0.60	0.64	0.70	0.78
Northwest Harris County MUD #23	0.73	0.75	0.76	0.76
Pine Forest MUD	0.93			
Ponderosa Forest UD	0.99	0.10	0.10	0.10
Port of Houston Authority	0.01	0.01	0.01	0.01
Postwood MUD	0.44	0.45	0.38	0.39
Rankin Road West MUD	0.89	0.91	0.89	0.95
Spring West MUD	0.71	0.73	0.73	0.74
Tattor Road MUD	0.51	0.55	0.57	0.59
Timber Lane UD	0.84	0.89	0.89	0.89
Westador MUD	0.16	0.17	0.17	0.17
Spring ISD Direct Rates:				
Maintenance & Operations	\$0.85460	\$0.90280	\$0.93430	\$0.97000
Debt Service	0.40000	0.41000	0.45000	0.46000
Total District Direct Rates	<u>\$1.25460</u>	<u>\$1.31280</u>	<u>\$1.38430</u>	<u>\$1.43000</u>

Note: An individual resident of Spring Independent School District resides in only one utility district. Therefore, the total taxes applicable to the individual resident are significantly less than the sum of the tax rates shown. Assessed value less exemptions equals actual taxable value.

Source: Municipal Advisory Council of Texas, Harris County Tax Office

Table 6

2019	2018	2017	2016	2015	2014
\$0.37 0.28	\$0.37 0.28	\$0.37 0.28	\$0.40 0.30	\$0.43 0.32	\$0.45 0.33
0.45	0.45	0.45	0.45	0.44	0.44
0.01	0.01	0.01	0.01	0.01	0.01
0.17	0.17	0.17			
1.42	1.49	1.67	1.50	1.50	1.50
1.05	1.11	1.17	1.24	1.27	1.38
0.59	0.59	0.67	0.69	0.67	0.72
0.22	0.24	0.25	0.25	0.25	0.25
0.50	0.50	0.50	0.50	0.53	0.63
0.41	0.41	0.41	0.41	0.43	0.40
0.70	0.70	0.77	0.85	0.95	0.99
0.68	0.68	0.69	0.70	0.80	0.83
0.64	0.64	0.65	0.70	0.80	0.85
0.85	0.90	1.10	1.16	1.36	1.41
0.70	0.72	0.76	0.84	0.94	0.98
0.67	0.69	0.76	0.78	0.84	0.87
0.39	0.39	0.42	0.49	0.55	0.63
0.59	0.59	0.61	0.62	0.65	0.65
0.25	0.25	0.35	0.35	0.87	0.87
0.56	0.56	0.56	0.57	0.57	0.55
0.50	0.50	0.50	0.50	0.50	0.50
1.20	1.26	1.31	1.34	1.48	1.58
0.42	0.43	0.44	0.47	0.50	0.51
0.64	0.68	0.70	0.79	0.79	0.79
0.78	0.80	0.82	0.84	0.88	0.95
0.80	0.80	0.81	0.81	0.85	0.90
1.03	1.07	1.07	1.09	1.21	1.34
0.84	0.92	0.99	1.10	1.19	1.50
0.29	0.25	0.33	0.36	0.36	0.36
0.15	0.12	0.15	0.15	0.14	0.15
0.37		0.37		0.37	0.37
0.25	0.25	0.25	0.25	0.25	0.25
0.40	0.43	0.43	0.44	0.46	0.53
0.83	0.79	0.79	0.74	0.78	0.83
0.59	0.58	0.59	0.60	0.63	0.64
0.44	0.44	0.46	0.50	0.55	0.55
0.11	0.11	0.11	0.11	0.11	0.12
0.62		0.72			
0.32	0.35	0.36	0.37	0.38	0.43
0.97	0.99	1.13	1.13	1.25	1.25
0.87	0.87	0.87	0.89	0.92	1.00
0.12	0.13	0.20	0.20	0.21	0.23
0.25	0.25	0.25	0.25	0.25	0.54
0.24	0.24	0.24	0.24	0.25	0.25
0.81	0.83	0.84	0.85	0.86	0.90
0.76	0.77	0.80	0.84	0.94	0.98
0.10	0.10	0.10	0.10	0.10	0.10
0.01	0.01	0.01	0.01	0.02	0.02
0.37	0.38	0.40	0.43	0.48	0.25
1.00	1.00	1.04	1.13	1.21	1.30
0.74	0.79	0.82	0.82	0.90	0.98
0.59	0.59	0.60	0.64	0.64	0.64
0.92	0.92	0.92	0.95	1.01	1.02
0.17	0.17	0.17	0.17	0.17	0.17
\$1.06000 0.45000 <u>\$1.51000</u>	\$1.04000 0.47000 <u>\$1.51000</u>	\$1.04000 0.42996 <u>\$1.46996</u>	\$1.04000 0.42996 <u>\$1.46996</u>	\$1.04000 0.47000 <u>\$1.51000</u>	\$1.04000 0.53000 <u>\$1.57000</u>

SPRING INDEPENDENT SCHOOL DISTRICT
Table 7
PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

	2023			2014		
	Actual Taxable Value (1)	Rank	Percentage of Total Actual Taxable Value (2)	Actual Taxable Value (1)	Rank	Percentage of Total Actual Taxable Value (3)
Palmetto Transoceanic LLC	\$1,112,328,996	1	6.00%	\$100,264,488	3	1.31%
10000 Energy Drive Owner LP	180,224,863	2	0.97%			
HP Plaza SPV LLC	132,197,308	3	0.71%			
CenterPoint Energy, Inc.	131,266,960	4	0.71%	80,113,775	4	1.04%
USODP Mossy Oaks LLC	128,255,659	5	0.69%			
Springwoods 4A, Inc.	110,964,695	6	0.60%			
EAN Holdings LLC	84,762,715	7	0.46%			
Liberty Property	81,480,103	8	0.44%			
Houston NW Manager LLC (4)	79,511,708	9	0.43%	102,840,362	2	1.34%
Springwoods Realty, Inc.	73,089,248	10	0.39%			
Houston Pipeline Company LP				129,608,934	1	1.69%
AT&T Mobility				63,657,443	5	0.83%
Cardinal Health 200, Inc.				59,228,002	6	0.77%
Wal-Mart Stores, Inc.				45,557,522	7	0.59%
Health Care Reit, Inc.				38,747,410	8	0.51%
HEB Grocery Company LP				32,372,869	9	0.42%
Airtex Industrial Center LLC				25,725,000	10	0.34%
	<u>\$2,114,082,255</u>		<u>11.40%</u>	<u>\$678,115,805</u>		<u>8.84%</u>

(1) Assessed value equals appraised value. Assessed value less exemptions equals actual taxable value.

(2) Actual taxable value: \$18,552,123,023

(3) Actual taxable value: \$7,669,927,308

(4) Houston Northwest Medical Center, Inc. acquired by Houston NW Manager LLC (parent company HCA Healthcare) in 2017.

Source: Harris County (Texas) Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority.

SPRING INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Table 8

Fiscal Year Ended June 30	Net Tax Levy for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2023	\$228,877,565	\$224,423,378	98.05%		\$224,423,378	98.05%
2022	206,247,863	205,026,164	99.41%	\$100,894	205,127,058	99.46%
2021	205,126,680	205,055,381	99.97%	(\$780,371)	204,275,010	99.58%
2020	198,831,123	198,244,240	99.70%	67,707	198,311,947	99.74%
2019	192,004,225	190,998,714	99.48%	591,536	191,590,250	99.78%
2018	184,607,137	183,388,547	99.34%	807,123	184,195,670	99.78%
2017	167,539,009	166,826,072	99.57%	429,380	167,255,452	99.83%
2016	153,556,376	151,989,138	98.98%	1,306,815	153,295,953	99.83%
2015	134,991,223	132,927,166	98.47%	1,801,159	134,728,325	99.81%
2014	118,429,209	117,606,679	99.31%	580,021	118,186,700	99.80%

(1) Assessed value equals appraised value. Assessed value less exemptions equals actual taxable value. The beginning actual 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.

Source: Harris County (Texas) Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority.

SPRING INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal Year Ended June 30	Governmental Activities		Total Primary Government	Ratio of Debt to Actual Taxable Value (1)	Debt per ADA (2)	Debt per Capita (2)	Percentage of Personal Income (2)
	General Obligation Bonds	Leases					
2023	\$991,462,428	\$208,925	\$991,671,353	5.35%	\$33,298		
2022	719,147,781	534,315	719,682,096	4.43%	25,109		
2021	762,319,003	34,858	762,353,861	4.95%	25,025	\$161	0.24%
2020	799,040,030	89,890	799,129,920	5.57%	24,746	169	0.27%
2019	834,924,956	87,485	835,012,441	6.37%	25,793	178	0.29%
2018	759,768,762	125,184	759,893,946	6.05%	23,129	163	0.28%
2017	782,418,731	159,437	782,578,168	6.70%	23,419	168	0.31%
2016	579,568,523		579,568,523	5.45%	17,226	125	0.24%
2015	600,665,333	945,401	601,610,734	6.65%	17,753	132	0.24%
2014	624,453,336	1,418,101	625,871,437	8.16%	18,632	141	0.25%

(1) See Table 5 for actual taxable value data.

(2) See Table 13 for average daily attendance (ADA), population, and income information. Personal income data not available for 2022 or 2023.
Population data not available for 2022.

SPRING INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Table 10

<u>Fiscal Year Ended June 30</u>	<u>General Obligation Bonds (1)</u>	<u>Less Restricted for Retirement of Bonded Debt (2)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Debt to Actual Taxable Value (3)</u>	<u>Debt per ADA (4)</u>
2023	\$991,462,428	\$85,763,971	\$905,698,457	4.88%	\$30,411
2022	719,147,781	64,660,535	654,487,246	4.03%	22,835
2021	762,319,003	64,006,643	698,312,360	4.53%	22,923
2020	799,040,030	58,519,094	740,520,936	5.16%	22,931
2019	834,924,956	55,155,253	779,769,703	5.95%	24,087
2018	759,768,762	51,543,328	708,225,434	5.64%	21,557
2017	782,418,731	44,289,128	738,129,603	6.32%	22,089
2016	579,568,523	43,214,174	536,354,349	5.04%	15,942
2015	600,665,333	35,955,501	564,709,832	6.24%	16,664
2014	624,453,336	30,197,374	594,255,962	7.75%	17,691

(1) Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements, Note 8.

(2) This is the amount restricted for debt service on the government-wide financial statements, Exhibit A-1.

(3) See Table 5 for actual taxable value data.

(4) See Table 13 for student average daily attendance (ADA) data.

SPRING INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
As of June 30, 2023
(Unaudited)

Table 11
Page 1 of 2

Taxing Body	Gross Debt Amount	Percent Overlapping (1)	Share of Debt
Bammel UD	\$12,005,000	100.00%	\$12,005,000
C.N.P. UD	30,155,000	100.00%	30,155,000
Cypresswood UD	6,345,000	0.13%	8,249
Fountainhead MUD	4,650,000	26.70%	1,241,550
Harris County	1,770,442,125	2.94%	52,050,998
Harris County Department of Education	13,865,000	2.94%	407,631
Harris County Flood Control District	797,615,000	2.94%	23,449,881
Harris County Hospital District	70,970,000	2.94%	2,086,518
Harris County ID #18	30,780,000	99.99%	30,776,922
Harris County ID #18	121,545,000	99.99%	121,532,846
Harris County MUD #5	19,515,000	53.39%	10,419,059
Harris County MUD #16	9,235,000	100.00%	9,235,000
Harris County MUD #43	9,565,000	100.00%	9,565,000
Harris County MUD #58	3,115,000	100.00%	3,115,000
Harris County MUD #82	61,765,000	100.00%	61,765,000
Harris County MUD #86	7,790,000	93.34%	7,271,186
Harris County MUD #96	20,225,000	99.75%	20,174,438
Harris County MUD #150	18,735,000	65.92%	12,350,112
Harris County MUD #154	9,175,000	77.61%	7,120,718
Harris County MUD #189	8,015,000	100.00%	8,015,000
Harris County MUD #200	14,115,000	100.00%	14,115,000
Harris County MUD #205	3,775,000	100.00%	3,775,000
Harris County MUD #211	1,425,000	100.00%	1,425,000
Harris County MUD #217	3,170,000	100.00%	3,170,000
Harris County MUD #221	805,000	83.53%	672,417
Harris County MUD #233	6,790,000	100.00%	6,790,000
Harris County MUD #249	7,135,000	100.00%	7,135,000
Harris County MUD #304	11,675,000	100.00%	11,675,000
Harris County MUD #399	15,375,000	100.00%	15,375,000
Harris County Utility District #16	25,850,000	27.66%	7,150,110
Harris County WCID #92	5,000,000	100.00%	5,000,000
Harris County WCID #99	7,435,000	100.00%	7,435,000
Harris County WCID #109	13,480,000	2.08%	280,384
Harris County WCID #110	16,645,000	60.44%	10,060,238
Harris County WCID #132	2,840,000	0.04%	1,136
Harris County WCID #136	5,450,000	100.00%	5,450,000
Houston, City of	2,930,515,000	0.17%	4,981,876
Hunter's Glen MUD	39,790,000	0.05%	19,895
Inverness Forest ID	2,955,000	6.52%	192,666

SPRING INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
As of June 30, 2023
(Unaudited)

Table 11
Page 2 of 2

<u>Taxing Body</u>	<u>Gross Debt Amount</u>	<u>Percent Overlapping (1)</u>	<u>Share of Debt</u>
Lone Star College System	\$602,965,000	6.81%	\$41,061,917
Meadowhill Reg MUD	26,050,000	22.23%	5,790,915
North Forest MUD	4,085,000	100.00%	4,085,000
North Park PUD	2,310,000	89.18%	2,060,058
Northgate Crossing MUD #1	11,205,000	100.00%	11,205,000
Northgate Crossing MUD #2	18,445,000	100.00%	18,445,000
Northgate Crossing RUD	2,025,000	100.00%	2,025,000
Northwest Harris County MUD #22	1,470,000	100.00%	1,470,000
Northwest Harris County MUD #23	13,335,000	100.00%	13,335,000
Pine Forest MUD	6,300,000	21.03%	1,324,890
Port of Houston Authority	445,749,397	2.94%	13,105,032
Post Wood MUD	5,920,000	100.00%	5,920,000
Rankin Road West MUD	8,369,750	100.00%	8,369,750
Spring West MUD	22,600,000	60.60%	13,695,600
Tattor Road MUD	8,175,000	100.00%	8,175,000
Timber Lane UD	87,075,000	80.51%	70,104,083
Subtotal, overlapping debt			747,621,075
Spring Independent School District direct debt			<u>991,671,353</u>
Total direct and overlapping debt			<u><u>\$1,739,292,428</u></u>

Note: An individual resident of Spring Independent School District resides in only one utility district. Therefore, the total debt applicable to the individual resident is significantly less than the sum of direct and overlapping debt shown.

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The percentage of overlapping debt is estimated using actual taxable property values. Percentages were estimated by determining the portion of the overlapping taxing authority's actual taxable value that is within the District's boundaries and dividing it by the overlapping taxing authority's total actual taxable value.

Source: Municipal Advisory Council of Texas

SPRING INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit (1)	\$1,855,212,302	\$1,622,796,361	\$1,541,417,304	\$1,434,008,830
Total Net Debt Applicable to Limit	<u>893,244,853</u>	<u>645,997,957</u>	<u>689,033,389</u>	<u>730,566,242</u>
Legal Debt Margin	<u><u>\$961,967,449</u></u>	<u><u>\$976,798,404</u></u>	<u><u>\$852,383,915</u></u>	<u><u>\$703,442,588</u></u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	48.15%	39.81%	44.70%	50.95%

Legal Debt Margin Calculation for Fiscal Year 2023:

Actual Taxable Value (2)	\$18,552,123,023
Debt Limit Percentage of Assessed Value	<u>10%</u>
Debt Limitation (1)	<u>1,855,212,302</u>
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$991,462,428
Less: Amount set aside for repayment of bonds (3)	<u>98,217,575</u>
Total Amount of Debt Applicable to Debt Limitation	<u>893,244,853</u>
Legal Debt Margin	<u><u>\$961,967,449</u></u>

- (1) 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 actual taxable value.
(2) See Table 5 for actual taxable value data.
(3) See restricted for debt service at the fund level.

Table 12

2019	2018	2017	2016	2015	2014
\$1,309,832,908	\$1,256,317,865	\$1,167,375,723	\$1,063,785,583	\$904,830,376	\$766,992,731
768,684,892	698,545,970	727,587,150	528,082,155	557,193,497	586,332,706
<u>\$541,148,016</u>	<u>\$557,771,895</u>	<u>\$439,788,573</u>	<u>\$535,703,428</u>	<u>\$347,636,879</u>	<u>\$180,660,025</u>
58.69%	55.60%	62.33%	49.64%	61.58%	76.45%

SPRING INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC INFORMATION
Last Ten Fiscal Years
(Unaudited)

Table 13

<u>Fiscal Year Ended June 30</u>	<u>Residential Units (1)</u>	<u>Total Assessed Value of Residential Units (1)</u>	<u>Average Assessed Value per Residential Unit</u>	<u>Population (2)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Average Daily Attendance (3)</u>	<u>Unemployment Rate (4)</u>
2023 *	47,489	\$9,825,843,037	\$206,908				29,782	4.5%
2022 *	46,226	8,287,672,440	179,286	4,780,913			28,662	4.5%
2021	45,501	7,541,517,724	165,744	4,728,030	\$311,430,719,000	\$65,869	30,464	7.2%
2020	45,014	7,023,012,640	156,018	4,732,491	291,723,832,000	61,643	32,293	12.2%
2019	44,620	6,375,054,709	142,874	4,704,042	284,905,380,000	60,566	32,373	4.1%
2018	43,959	6,152,394,247	139,958	4,672,445	274,514,924,000	58,752	32,854	4.8%
2017	43,268	5,601,039,376	129,450	4,651,955	255,361,808,000	54,893	33,416	5.3%
2016	42,699	5,161,812,169	120,888	4,619,635	236,747,445,000	51,248	33,645	5.7%
2015	42,194	4,549,841,265	107,831	4,553,991	248,528,847,000	54,574	33,887	4.9%
2014	41,589	4,026,416,763	96,814	4,452,976	246,171,390,000	55,282	33,591	5.4%

* Personal income data not available for 2022 and 2023. Population data not available for 2023.

Source: (1) Harris County (Texas) Appraisal District for Spring ISD boundaries. Assessed value equals appraised value.
(2) U. S. Department of Commerce, Bureau of Economic Analysis, and United States Census Bureau. Data is for Harris County.
(3) Texas Education Agency, Texas Student Data System (TSDS), Public Education Information Management System (PEIMS)
(4) Texas Workforce Commission, Texas Labor Market Information Department Local Area Unemployment Statistics (LAUS).
Data is for Harris County.

SPRING INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

Table 14

	2022			2014		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart	34,000	1	1.01%	30,000	1	
H-E-B	32,635	2	0.97%	19,175	3	0.63%
Memorial Hermann Health System	29,130	3	0.87%	18,574	4	0.61%
Houston Methodist	28,304	4	0.84%	17,011	5	0.56%
UT M.D. Anderson Cancer Center	22,088	5	0.66%	19,504	2	0.64%
Amazon	20,000	6	0.60%			
Kroger	15,000	7	0.45%	14,197	8	0.46%
Texas Children's Hospital	14,378	8	0.43%			
HCA Houston Healthcare	12,614	9	0.38%			
United Airlines	11,834	10	0.35%	15,550	6	0.51%
McDonald's Corp.				15,479	7	0.51%
Exxon Mobil Corp.				12,835	9	0.42%
National Oilwell Varco				12,211	10	0.40%
	<u>219,983</u>		<u>6.56%</u>	<u>174,536</u>		<u>4.74%</u>

(1) Total employment 2022 equals: 3,358,966

(2) Total employment 2014 equals: 3,064,225

Source: Employment numbers were obtained from the Houston Chronicle Top 100 List for 2022 and 2014 and Bureau of Labor Statistics.
Principal employers by employee count not available for 2023.
Government entities are generally not included in this list.

SPRING INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
Last Ten Fiscal Years
(Unaudited)

Table 15

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Teachers:										
Teacher	2,252.5	2,113.0	2,257.6	2,151.0	2,163.0	2,217.9	2,142.9	2,312.6	2,363.0	2,360.4
Substitute Teacher	10.1	63.7		6.1	1.0	3.3	9.1			
Total Teachers	<u>2,262.6</u>	<u>2,176.7</u>	<u>2,257.6</u>	<u>2,157.1</u>	<u>2,164.0</u>	<u>2,221.2</u>	<u>2,152.0</u>	<u>2,312.6</u>	<u>2,363.0</u>	<u>2,360.4</u>
Professional Support:										
Psychological Associate			1.5	2.0			1.0			
Audiologist	1.0	1.0	0.7	1.0	1.0	1.0	1.0	1.0	1.0	
Corrective Therapist	1.0	1.0								
Counselor	90.6	88.9	89.4	89.7	77.9	82.0	85.8	95.5	87.1	78.0
Educational Diagnostician	29.4	29.5	32.0	35.6	39.1	27.1	30.7	42.2	42.6	36.9
Librarian	34.6	38.6	37.4	36.7	31.7	18.2	20.3	21.1	21.5	22.4
Certified Orientation/Mobility Specialist	0.8	2.0	2.0	2.0	1.0	1.3	2.0	1.0	1.0	
School Nurse	17.7	20.9	19.8	21.0	45.0	44.8	43.0	43.6	43.1	45.0
LSSP/Psychologist	6.5	7.0	9.0	9.0	6.0	7.3	13.0	14.0	11.0	9.5
Social Worker		1.0							1.0	1.0
Speech Therapist/Speech-Language Pathologist	22.7	27.2	28.6	28.5	31.0	32.6	26.9	32.7	24.4	23.9
Work-based Learning Site Coordinator				0.9	2.9	2.8				
Truant Officer/Visiting Teacher	3.0									
Teacher Facilitator	154.6	153.3	201.6	209.5	178.4	183.4	131.1	101.4	117.6	45.0
Teacher Appraiser				1.9	6.0	8.1	11.0			
Department Head	6.2	2.2	3.8		0.5	1.5	2.0	21.6	29.9	
Athletic Trainer	5.7	6.0	6.0	4.0	5.0	4.0	1.0	5.0	2.0	0.1
Campus Professional Personnel	59.8	80.2	63.4	43.5	47.2	17.5	96.0	32.9	16.4	9.1
Non-Campus Professional Personnel	256.8	248.6	214.2	261.7	296.2	282.5	263.3	231.7	219.5	165.0
Total Professional Staff	<u>690.4</u>	<u>707.4</u>	<u>709.4</u>	<u>747.0</u>	<u>768.9</u>	<u>714.1</u>	<u>728.1</u>	<u>643.5</u>	<u>618.2</u>	<u>435.9</u>
Campus Administration:										
Assistant Principal	79.9	74.1	76.0	74.4	75.1	78.7	85.6	78.8	82.2	76.8
Principal	38.0	34.6	35.4	36.2	38.9	37.1	38.0	36.9	37.0	36.1
Teacher Supervisor	0.7	6.7	8.9	6.0	2.0					
Registrar	13.1	14.0	13.5	10.1	11.5	9.5	7.7	11.0	10.0	1.0
Total Campus Administration	<u>131.7</u>	<u>129.4</u>	<u>133.8</u>	<u>126.7</u>	<u>127.5</u>	<u>125.3</u>	<u>131.3</u>	<u>126.7</u>	<u>129.2</u>	<u>113.9</u>
Central Administration:										
Assistant/Associate/Deputy Superintendent	9.0	8.0	14.0	15.0	13.8	13.0	13.0	13.9	11.9	9.2
Instructional Program Director/Executive Director	18.4	19.5	15.9	16.4	14.3	17.5	17.0	20.2	19.7	16.2
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Teacher Supervisor			10.0	11.5	11.4	6.0	5.0	13.5	4.5	4.4
Athletic Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tax Assessor/Collector	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Business Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Director of Personnel/HR	1.0		1.0	1.0	2.0	2.0	2.0	2.0	4.0	3.8
Total Central Administration	<u>32.4</u>	<u>31.5</u>	<u>44.9</u>	<u>47.9</u>	<u>45.5</u>	<u>42.5</u>	<u>41.0</u>	<u>53.6</u>	<u>44.1</u>	<u>36.6</u>
Educational Aide	511.1	473.9	499.0	493.8	487.0	325.5	223.2	239.6	430.0	470.3
Auxiliary Staff	<u>1,419.2</u>	<u>1,429.4</u>	<u>1,541.1</u>	<u>1,496.9</u>	<u>1,384.5</u>	<u>1,519.3</u>	<u>1,643.5</u>	<u>1,562.0</u>	<u>1,401.5</u>	<u>1,309.2</u>
Total Staff Full-Time Equivalent	<u>5,047.4</u>	<u>4,948.3</u>	<u>5,185.8</u>	<u>5,069.4</u>	<u>4,977.4</u>	<u>4,947.9</u>	<u>4,919.1</u>	<u>4,938.0</u>	<u>4,986.0</u>	<u>4,726.3</u>

Source: Texas Education Agency (TEA), Texas Student Data System (TSDS), Public Education Information Management System (PEIMS)

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SPRING INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year Ended June 30</u>	<u>Average Daily Attendance (ADA)</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per ADA</u>	<u>Percentage Change</u>	<u>Government Wide Expenses (2)</u>
2023	29,782	\$467,497,401	\$15,697	12.13%	\$525,577,429
2022	28,662	401,236,934	13,999	4.83%	460,057,678
2021	30,464	406,819,107	13,354	11.38%	472,880,356
2020	32,293	387,197,991	11,990	7.50%	473,958,889
2019	32,373	361,100,891	11,154	1.71%	437,790,108
2018	32,854	360,276,820	10,966	7.37%	305,061,858
2017	33,416	341,291,128	10,213	0.97%	398,933,415
2016	33,645	340,312,739	10,115	3.80%	399,715,364
2015	33,887	330,226,468	9,745	8.21%	372,837,069
2014	33,591	302,521,853	9,006	5.16%	353,059,194

(1) Operating expenditures are total governmental fund expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.

(2) The District implemented GASB Statement No. 68 in 2015. The effects of this statement were not applied to previous years. The District implemented GASB Statement No. 75 in 2018. The effects of this statement were not applied to previous years.

(3) Enrollment is total number of students in the district who were reported to the Texas Education Agency (TEA) as of the last Friday in October.

Source: Texas Education Agency (TEA), Texas Student Data System (TSDS), Public Education Information Management System (PEIMS) and District records

Table 16

<u>Cost Per ADA</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Enrollment (3)</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
\$17,647	9.94%	2,262.60	34,076	15.06	84.2%
16,051	3.41%	2,176.70	33,406	15.35	84.5%
15,523	5.76%	2,257.60	33,537	14.86	87.5%
14,677	8.53%	2,157.10	35,284	16.36	82.6%
13,523	45.64%	2,164.00	35,348	16.33	70.0%
9,285	(22.22%)	2,221.20	36,079	16.24	69.4%
11,938	0.49%	2,152.00	36,654	17.03	68.5%
11,880	7.98%	2,312.60	36,813	15.92	70.5%
11,002	4.67%	2,363.00	36,781	15.57	72.1%
10,511	2.86%	2,360.40	36,358	15.40	74.0%

SPRING INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
Last Ten Fiscal Years
(Unaudited)

Table 17

<u>Fiscal Year Ended June 30</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>Average Salary (2)</u>	<u>Region 4 Average Salary (3)</u>	<u>Statewide Average Salary (3)</u>
2023	\$60,500	\$72,100	\$66,730		
2022	57,425	69,225	62,986	\$62,589	\$58,887
2021	56,500	67,860	62,929	60,798	57,641
2020	54,000	66,785	61,312	60,292	57,091
2019	52,275	65,160	59,578	57,707	54,122
2018	52,275	65,160	59,324	57,076	53,334
2017	51,760	65,160	58,334	55,992	52,525
2016	51,500	62,846	58,175	55,800	51,891
2015	48,500	61,582	55,717	54,157	50,715
2014	45,537	57,386	51,349	52,222	49,692

(1) Source: District records, based on new teacher entry schedule.

(2) Source: Texas Education Agency (TEA), Texas Student Data System (TSDS), Public Education Information Management System (PEIMS)

(3) Source: Texas Education Agency (TEA), Texas Performance Reporting System (TPRS); Region 4 and state information for 2023 not available at this time.

SPRING INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years
(Unaudited)

Table 18
Page 1 of 3

School (Year Opened)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
High Schools										
Spring (1968)										
Square feet	454,195	454,195	454,195	454,195	454,195	454,195	454,195	454,195	454,195	454,195
Capacity	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840
Peak enrollment	2,051	2,070	2,124	2,793	2,828	2,934	2,889	2,800	2,651	2,884
Westfield (1976)										
Square feet	549,603	549,603	549,603	549,603	549,603	549,603	549,603	549,603	549,603	549,603
Capacity	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338
Peak enrollment	1,957	2,027	2,127	2,845	2,866	2,864	2,770	2,841	2,680	2,652
Andy Dekaney (2007)										
Square feet	487,000	487,000	487,000	487,000	487,000	487,000	487,000	487,000	487,000	487,000
Capacity	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Peak enrollment	1,831	1,492	1,443	2,146	2,134	2,239	2,485	2,639	2,488	2,324
Carl Wunsche Sr. (2006)										
Square feet	273,178	273,178	273,178	273,178	273,178	273,178	273,178	273,178	273,178	273,178
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Peak enrollment	1,508	1,434	1,478	1,487	1,471	1,473	1,508	1,509	1,429	1,487
Early College Academy (2016) ⁵										
Square feet					42,346	42,346	42,346			
Capacity					450	450	450			
Peak enrollment					420	414	385			
Ninth Grade Centers										
Spring (2020) ⁸										
Square feet	140,615	140,615	140,615							
Capacity	900	900	900							
Peak enrollment	708	723	721							
Westfield (2020) ⁹										
Square feet	176,000	176,000	176,000							
Capacity	900	900	900							
Peak enrollment	636	658	696							
Andy Dekaney (2020) ⁸										
Square feet	130,989	130,989	130,989							
Capacity	900	900	900							
Peak enrollment	588	693	665							
Middle Schools										
Wells (1977)										
Square feet	182,661	182,661	182,661	182,661	182,661	182,661	182,661	182,661	182,661	182,661
Capacity	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378
Peak enrollment	912	922	1,017	1,116	1,129	1,093	1,372	1,326	1,365	1,288
Dueitt (1980)										
Square feet	137,391	137,391	137,391	137,391	137,391	137,391	137,391	137,391	137,391	137,391
Capacity	924	924	924	924	924	924	924	924	924	924
Peak enrollment	763	859	941	995	1,205	1,162	884	899	937	965
Twin Creeks (1984)										
Square feet	155,516	155,516	155,516	155,516	155,516	155,516	155,516	155,516	155,516	155,516
Capacity	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072
Peak enrollment	972	953	1,060	1,034	993	1,112	1,092	1,072	1,000	976
Bammel (2003)										
Square feet	228,121	228,121	228,121	228,121	228,121	228,121	228,121	228,121	228,121	228,121
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Peak enrollment	864	857	900	932	970	942	1,328	1,303	1,421	1,263
Stelle Claughton (2003)										
Square feet	219,716	219,716	219,716	219,716	219,716	219,716	219,716	219,716	219,716	219,716
Capacity	1,303	1,303	1,303	1,303	1,303	1,303	1,303	1,303	1,303	1,303
Peak enrollment	922	976	1,009	1,173	1,200	1,276	1,102	1,082	1,112	1,203
Rickey C. Bailey (2006)										
Square feet	201,178	201,178	201,178	201,178	201,178	201,178	201,178	201,178	201,178	201,178
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Peak enrollment	1,064	997	947	931	1,351	1,264	1,163	1,162	1,269	1,205
Dr. Edward Roberson (1971)										
Square feet					176,000	176,000	176,000	176,000	176,000	176,000
Capacity					1,200	1,200	1,200	1,200	1,200	1,200
Peak enrollment					831	921	1,033	1,102	1,086	1,102
Dr. Edward Roberson (2019) ⁴										
Square feet	154,843	154,843	154,843	154,843						
Capacity	800	800	800	800						
Peak enrollment	793	791	865	806						

SPRING INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years
(Unaudited)

Table 18
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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Middle Schools (Continued)										
Springwoods Village (2019) ⁶										
Square feet	139,754	139,754	139,754	139,754						
Capacity	725	725	725	725						
Peak enrollment	510	505	509	500						
Spring Leadership Academy (2019) ⁷										
Square feet	44,931	44,931	44,931	44,931						
Capacity	450	450	450	450						
Peak enrollment	321	361	391	386						
Elementary Schools										
Bammel (2010)										
Square feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	868	834	704	745	776	789	888	920	958	893
Ponderosa (1971)										
Square feet	96,149	96,149	96,149	96,149	96,149	96,149	96,149	96,149	96,149	96,149
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	778	790	797	799	752	684	720	732	753	714
John A. Winship (1972)										
Square feet	71,456	71,456	71,456	71,456	71,456	71,456	71,456	71,456	71,456	71,456
Capacity	768	768	768	768	768	768	768	768	768	768
Peak enrollment	463	475	482	492	511	517	529	491	525	538
Pat Reynolds (1973)										
Square feet	83,280	83,280	83,280	83,280	83,280	83,280	83,280	83,280	83,280	83,280
Capacity	884	884	884	884	884	884	884	884	884	884
Peak enrollment	846	792	744	785	788	716	727	780	784	734
Otto H. & Avalt H. Meyer (1976)										
Square feet	91,213	91,213	91,213	91,213	91,213	91,213	91,213	91,213	91,213	91,213
Capacity	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108
Peak enrollment	655	623	618	725	753	717	663	621	659	720
Mildred I. Jenkins (1976)										
Square feet	91,865	91,865	91,865	91,865	91,865	91,865	91,865	91,865	91,865	91,865
Capacity	896	896	896	896	896	896	896	896	896	896
Peak enrollment	616	605	581	623	638	660	702	689	742	781
Pearl M. Hirsch (1978)										
Square feet	81,268	81,268	81,268	81,268	81,268	81,268	81,268	81,268	81,268	81,268
Capacity	692	692	692	692	692	692	692	692	692	692
Peak enrollment	640	648	698	729	767	685	708	704	736	673
George E. Anderson (1979)										
Square feet	77,968	77,968	77,968	77,968	77,968	77,968	77,968	77,968	77,968	77,968
Capacity	836	836	836	836	836	836	836	836	836	836
Peak enrollment	496	475	507	576	611	614	621	600	606	659
Joan Link (1982)										
Square feet	83,300	83,300	83,300	83,300	83,300	83,300	83,300	83,300	83,300	83,300
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	518	544	549	612	616	631	631	668	675	704
L. E. Smith (1986)										
Square feet	78,638	78,638	78,638	78,638	78,638	78,638	78,638	78,638	78,638	78,638
Capacity	784	784	784	784	784	784	784	784	784	784
Peak enrollment	529	543	539	572	591	616	578	564	605	620
Joseph S. Beneke (1986)										
Square feet	86,999	86,999	86,999	86,999	86,999	86,999	86,999	86,999	86,999	86,999
Capacity	892	892	892	892	892	892	892	892	892	892
Peak enrollment	631	648	676	695	682	684	707	725	745	781
Deloras E. Thompson (1996)										
Square feet	108,400	108,400	108,400	108,400	108,400	108,400	108,400	108,400	108,400	108,400
Capacity	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054
Peak enrollment	630	583	696	700	628	666	678	687	742	699
Heritage (2000)										
Square feet	93,625	93,625	93,625	93,625	93,625	93,625	93,625	93,625	93,625	93,625
Capacity	818	818	818	818	818	818	818	818	818	818
Peak enrollment	616	642	637	718	687	680	527	522	501	544
B. F. Clark Intermediate (2003) ²										
Square feet	87,269	87,269	87,269	87,269	87,269	87,269	87,269	87,269	87,269	87,269
Capacity	840	840	840	840	840	840	840	840	840	840
Peak enrollment	1,012	601	619	676	720	784	1,041	731	1,725	1,555
J. O. & Gertie Mae Salyers (2003)										
Square feet	96,400	96,400	96,400	96,400	96,400	96,400	96,400	96,400	96,400	96,400
Capacity	824	824	824	824	824	824	824	824	824	824
Peak enrollment	669	664	608	648	678	708	707	762	821	723

SPRING INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years
(Unaudited)

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools (Continued)										
B. F. Clark Primary (1990) ²										
Square feet	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000
Capacity	716	716	716	716	716	716	716	716	716	716
Peak enrollment		403	452	480	491	531	723	1008		
Chet Burchett (2005)										
Square feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	907	725	679	704	706	782	774	731	687	721
Milton Cooper (2005)										
Square feet	102,205	102,205	102,205	102,205	102,205	102,205	102,205	102,205	102,205	102,205
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	653	685	705	750	756	762	783	822	837	793
Ginger McNabb (2006)										
Square feet	102,762	102,762	102,762	102,762	102,762	102,762	102,762	102,762	102,762	102,762
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	717	697	654	680	711	716	729	701	709	735
Northgate Crossing (2008)										
Square feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	728	738	684	711	735	702	691	689	725	740
Donna Lewis (2006)										
Square feet	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	664	667	645	706	671	655	682	675	707	698
Carolee Booker (2008)										
Square feet	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	757	727	704	754	799	821	838	873	893	946
R. J. Hoyland (2009)										
Square feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	683	680	678	711	735	770	907	949	908	860
Ralph Eickenroht (2009)										
Square feet	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700	102,700
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	555	576	578	660	658	636	681	706	712	625
Helen Major (2009)										
Square feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	525	523	566	684	673	702	756	811	777	695
Gloria Marshall (2011)										
Square feet	103,500	103,500	103,500	103,500	103,500	103,500	103,500	103,500	103,500	103,500
Capacity	800	800	800	800	800	800	800	800	800	800
Peak enrollment	950	901	758	763	743	727	729	706	689	701
Special Campuses										
Richey Academy (2015) ³										
Square feet	33,123	33,123	33,123	33,123	33,123	33,123	33,123	33,123		
Capacity	250	250	250	250	250	250	250	250		
Peak enrollment	51	108	24	148	195	198	134	191		
Momentum High School (2022) ¹⁰										
Square feet										
Capacity										
Peak enrollment	206									
Portable Buildings ¹										
	130	148	148	148	147	147	150	150	150	150

¹ The District utilized portable buildings providing classrooms and restrooms in schools where enrollment exceeded capacity.

² From July 2013 to June 2015 Clark Primary and Clark Intermediate were considered one school, Clark Elementary. They merged in August 2022.

³ This building was originally for Support Services and was renovated in 2015 to house the District's Disciplinary Alternative Education Program for grades 6th through 12th.

⁴ Roberson moved to 12430 Veterans Memorial Dr. in August 2019.

⁵ Early College Academy moved from portable buildings to 14450 T.C. Jester Blvd. in August 2016, then relocated to Lonestar College-North Harris campus in August 2019.

⁶ Springwoods Village opened at 1120 Crossgate Blvd. in August 2019.

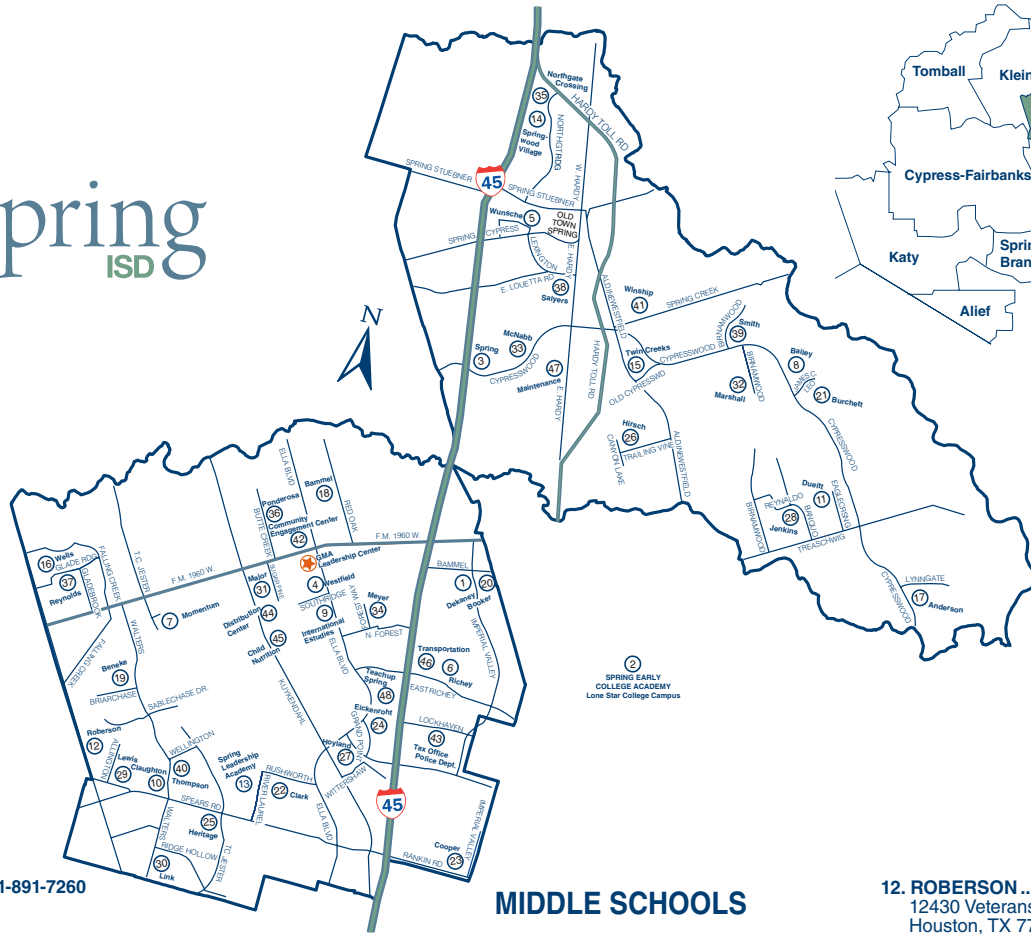
⁷ Spring Leadership Academy opened at 14450 T.C. Jester Blvd. in August 2019.

⁸ Spring and Andy Dekaney Ninth-Grade Centers opened in September 2020

⁹ Westfield Ninth-Grade Center opened in January 2021.

¹⁰ Momentum High School opened as a virtual learning program in August 2022.

Source: District records



HIGH SCHOOLS

1. **ANDY DEKANEY** 281-891-7260
22351 Imperial Valley Dr.
Houston, TX 77073-1102
Ninth-Grade Center..... 281-891-7432
22215 Imperial Valley Dr.
Houston, TX 77073-1102
2. **SPRING EARLY COLLEGE ACADEMY** 281-891-6880
2700 W. W. Thorne Dr.
Academic Building, Suite A 104
Houston, TX 77073-3499
3. **SPRING** 281-891-7000
19428 I-45 N
Spring, TX 77373-2910
Ninth-Grade Center..... 281-891-7391
19640 Lockridge Dr.
Spring, TX 77373-2910

ELEMENTARY SCHOOLS

17. **ANDERSON** 281-891-8360
6218 Lynngate Dr.
Spring, TX 77373-7356
18. **BAMMEL** 281-891-8150
17309 Red Oak Dr.
Houston, TX 77090-1243
19. **BENEKE** 281-891-8450
3840 Briarchase Dr.
Houston, TX 77014-2755
20. **BOOKER** 281-891-8750
22352 Imperial Valley Dr.
Houston, TX 77073-1101
21. **BURCHETT** 281-891-8630
3366 James C. Leo Dr.
Spring, TX 77373-1700
22. **CLARK** 281-891-8540
1825 Rushworth Dr.
Houston, TX 77014-2885
23. **COOPER** 281-891-8660
18655 Imperial Valley Dr.
Houston, TX 77073-4608
24. **EICKENROHT** 281-891-8840
15252 Grand Point Dr.
Houston, TX 77090-6329
25. **HERITAGE** 281-891-8510
12255 T.C. Jester Blvd.
Houston, TX 77067-1381
26. **HIRSCH** 281-891-8330
2633 Trailing Vine Rd.
Spring, TX 77373-7716
27. **HOYLAND** 281-891-8810
2200 Wittershaw Rd.
Houston, TX 77090-7202

4. **WESTFIELD** 281-891-7130
16713 Ella Blvd.
Houston, TX 77090-4213
Ninth-Grade Center..... 281-891-7411
1500 Southridge Road
Houston, TX 77090-4213
5. **CARL WUNSCH SR** 281-891-7650
900 Wunsche Loop
Spring, TX 77373-2513
6. **RICHEY ACADEMY** 281-891-6710
341 East Richey Rd. Building B
Houston, TX 77073-6038
7. **MOMENTUM** 281-891-6223
14450 T.C. Jester Blvd.
Houston, TX 77014-1457

MIDDLE SCHOOLS

8. **BAILEY** 281-891-8000
3377 James C. Leo Dr.
Spring, TX 77373-1701
9. **SCHOOL FOR INTERNATIONAL STUDIES AT BAMMEL (PK-4 & 6-8)** 281-891-7900
16711 Ella Blvd.
Houston, TX 77090-4213
10. **CLAUGHTON** 281-891-7950
3000 Spears Rd.
Houston, TX 77067-5235
11. **DUEITT** 281-891-7800
1 Eagle Crossing
Spring, TX 77373-8027

12. **ROBERSON** 281-891-7700
12430 Veterans Memorial Dr.
Houston, TX 77014-2301
13. **SPRING LEADERSHIP.. ACADEMY** 281-891-8050
12625 River Laurel Dr.
Houston, TX 77014-3642
14. **SPRINGWOODS VILLAGE** 281-891-8100
1120 Crossgate Blvd.
Spring, TX 77373-5687
15. **TWIN CREEKS** 281-891-7850
27100 Old Cypresswood Dr.
Spring, TX 77373-6370
16. **WELLS** 281-891-7750
4033 Gladeridge Dr.
Houston, TX 77068-2307

28. **JENKINS** 281-891-8300
4615 Reynaldo Dr.
Spring, TX 77373-6861
29. **LEWIS** 281-891-8720
3230 Spears Rd.
Houston, TX 77067-5241
30. **LINK** 281-891-8390
2815 Ridge Hollow Dr.
Houston, TX 77067-1939
31. **MAJOR** 281-891-8870
16855 Sugar Pine Dr.
Houston, TX 77090-3626
32. **MARSHALL** 281-891-4900
24505 Birnamwood Blvd.
Spring, TX 77373-9575
33. **MENAB** 281-891-8690
743 East Cypresswood Dr.
Spring, TX 77373-5516
34. **MEYER** 281-891-8270
16330 Forest Way Dr.
Houston, TX 77090-4717
35. **NORTHGATE CROSSING** 281-891-8780
23437 Northgate Crossing Blvd.
Spring, TX 77373-5687
36. **PONDEROSA** 281-891-8180
17202 Butte Creek Rd.
Houston, TX 77090-2322
37. **REYNOLDS** 281-891-8240
3975 Gladeridge Dr.
Houston, TX 77068-2422

38. **SALYERS** 281-891-8570
25705 Hardy St.
Spring, TX 77373-2684
39. **SMITH** 281-891-8420
26000 Cypresswood Dr.
Spring, TX 77373-5860
40. **THOMPSON** 281-891-8480
12470 Walters Rd.
Houston, TX 77014-2422
41. **WINSHIP** 281-891-8210
2175 Spring Creek Dr.
Spring, TX 77373-6141

ADMINISTRATION and SUPPORT FACILITIES

- ★ **GORDON M. ANDERSON LEADERSHIP CENTER** 281-891-6000
16717 Ella Blvd.
Houston, TX 77090-4213
42. **COMMUNITY ENGAGEMENT CENTER** 281-891-6736
17125 Ella Blvd.
Houston, TX 77090-2409
43. **POLICE COMMAND CENTER & TAX OFFICE** 281-891-6911
420 420 Lockhaven Dr.
Houston, TX 77073-5530

44. **DISTRIBUTION CENTER** 281-891-6465
Operations 281-891-6425
Construction/Energy 281-891-6430
Safety/ 281-891-6440
Risk Management
15330 Kuykendahl Rd.
Houston, TX 77090-4109
45. **CHILD NUTRITION AND TRAINING CENTER** 281-891-6445
15330 Kuykendahl Rd.
Houston, TX 77090-4109
46. **TRANSPORTATION CENTER** 281-891-6490
341 East Richey Rd.
Houston, TX 77073-6038
47. **MAINTENANCE** 281-891-6405
24037 W. Hardy Rd. #109
Houston, Texas 77373-5717
48. **TEACHUP SPRING LEARNING CENTER** 281-891-6037
15651 I-45 North
Houston, Texas 77090-4213

SPRING INDEPENDENT SCHOOL DISTRICT**Exhibit L-1****SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS***June 30, 2023*

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



📍 16717 Ella Blvd.
Houston, Texas 77090

📞 281-891-6000
F: 281-891-6006

🌐 www.springisd.org

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.