



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2020



CONTENT



MESSAGE TO THE
COMMUNITY



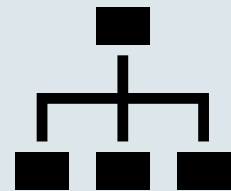
ABOUT SPRING ISD



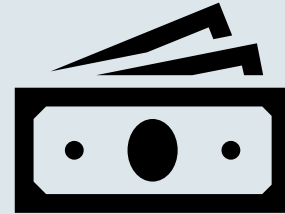
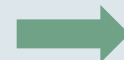
SPRING ISD
AT-A-GLANCE



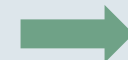
BOARD OF TRUSTEES



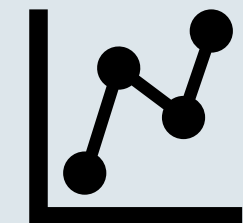
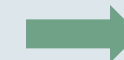
SUPERINTENDENT'S
CABINET



REVENUES



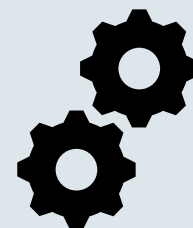
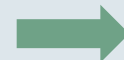
PROPERTY
TAXES



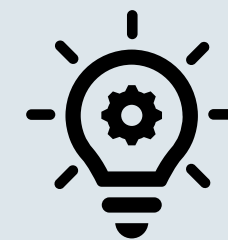
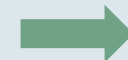
GENERAL FUND
EXPENDITURES



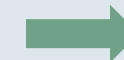
DEBT SERVICE



SPECIAL
REVENUE



CAPITAL
PROJECTS FUND



ACHIEVEMENTS

MESSAGE TO THE COMMUNITY

We are pleased to present the District's Popular Annual Financial Report (PAFR) for the year ended June 30, 2020. This report communicates the financial operations of our school district in an open, transparent and easy to understand format for all of our stakeholders.

The **PAFR summarizes the financial activities and operating results reported in our audited 2020 Comprehensive Annual Financial Report (CAFR)**. The CAFR is prepared in conformance with Generally Acceptable Accounting Principles (GAAP) and includes audited financial statements, disclosures, opinions of our independent external auditors, and other detailed financial information.

However, the PAFR is unaudited and presented on a GAAP basis. While the underlying accounting methods are similar to the CAFR, the PAFR does not include information on all District funds, full disclosure of all material financial and non-financial events, or notes to the financial statements.

Copies of the CAFR and the PAFR are available from the Financial Services Division and posted on our website at www.springisd.org/transparency



ABOUT SPRING ISD

Spring ISD is focused on preparing each student for success. The district's strategic plan, EVERY CHILD 2020, outlines an unwavering commitment to helping each child be successful in school and be ready for the next step, whether college or career.



This diverse district **serves over 35,000 prekindergarten through 12th-grade students**, providing a range of programs to meet individual needs, including **special education, gifted and talented services, bilingual instruction and English as a Second Language.**

A strong core curriculum is enriched with opportunities for students to take part in award-winning athletics, art, dance, music and theater programs.

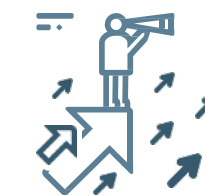


ABOUT SPRING ISD



Mission

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



Vision

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



SPRING ISD AT-A-GLANCE



Student Enrollment **35,284**

Early Childhood Education: **83**

Prekindergarten: **1,627**

Kindergarten: **2,623**

Elementary: **13,336**

Middle: **7,865**

High School: **9,750**



Campuses **40**

Elementary Schools: **26**

Middle Schools: **9**

High Schools: **5**



District Budget
Priorities

Competitive & Equitable
Employee Pay

Full-day Pre-K

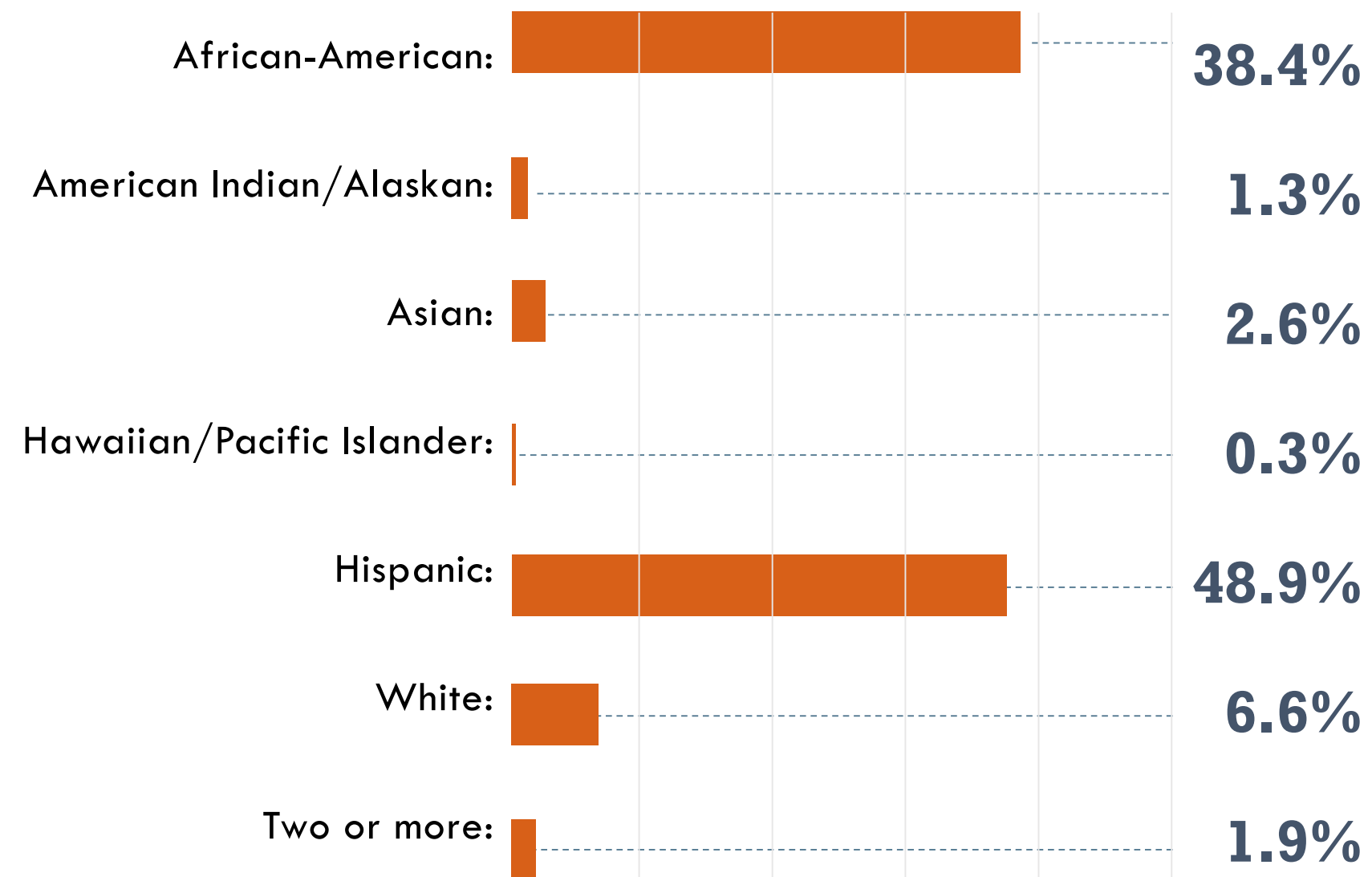
Staffing New ninth-grade
Centers

Lift 6 Middle School
Specialty Programs

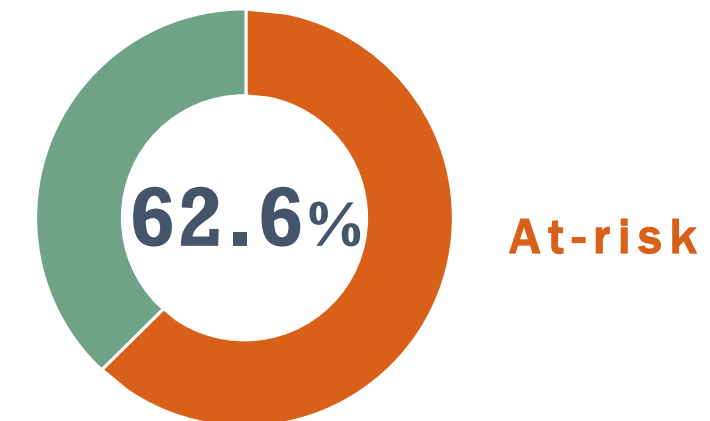
The district's three comprehensive high schools offer career pathways, which include five specialization pathways that are unique to each school. The district's nine middle schools include two specialty schools and a campus that is currently seeking to become an International Baccalaureate Middle Years Program.

SPRING ISD AT-A-GLANCE







STUDENT ETHNICITY



ADDITIONAL INFORMATION



SPRING ISD AT-A-GLANCE

	2016	2017	2018	2019	2020
 Enrollment	36,813	36,654	36,079	35,348	35,284
 Teacher FTE	2,313	2,152	2,221	2,164	2,157
 Average Salary	\$58,175	\$58,334	\$59,324	\$59,578	\$61,312
 Student to Teacher Ratio	15.92	17.03	16.24	16.33	16.36
 Operating Cost Per Student	\$10,115	\$10,213	\$10,966	\$11,154	\$11,990
 % Free/Reduced Lunch Programs	70.5%	68.5%	69.4%	70.0%	82.6%

➤ Given the impact of COVID-19, all districts and schools received a label of Not Rated:
Declared State of Disaster for their 2020 accountability ratings.

BOARD OF TRUSTEES



Kelly P.
Hodges
Position 2



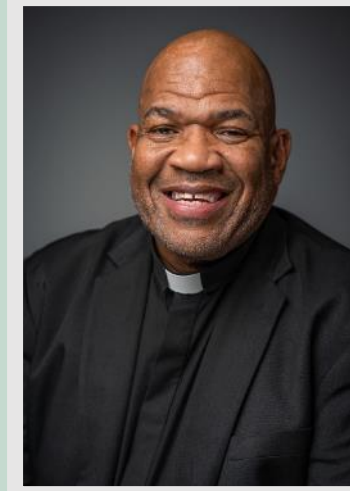
Winford
Adams Jr.
Assistant Secretary
Position 4



Dr. Deborah
Jensen
Vice President
Position 1



Rhonda
Newhouse
President
Position 5



Dr. Donald R.
Davis
Secretary
Position 6



Justine
Durant
Position 3



Jana
Gonzales
Position 7

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

The board fulfills its responsibilities by establishing the district's five-year strategic plan, setting objectives annually for achieving the five-year plan, adopting an annual budget based on the five-year plan, establishing policies for the operation of the district and selecting a superintendent who serves as the chief executive officer of the district.

SUPERINTENDENT'S CABINET

Ann Westbrooks



Chief Financial Officer

Jeremy Binkley



General Counsel

Julie F. Hill, JD



*Chief of Human Resources
and Human Capital
Accountability*

Dr. Rodney E. Watson



Superintendent of Schools

Mark Miranda



*Executive Chief
of District Operations*

Tiffany Dunne-Oldfield



*Chief of Innovation and
Communications*

Kenneth Culbreath



Chief of Police

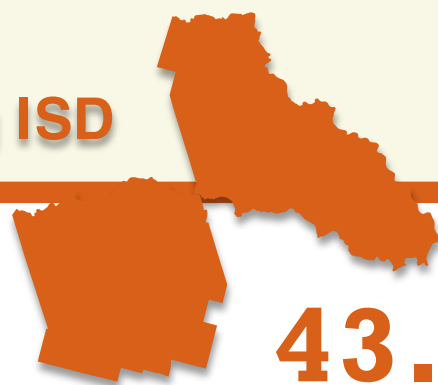
WHERE DID THE GENERAL FUND REVENUES COME FROM?

Resources from Operating Funds	FY 2018	FY 2019	FY 2020
Local and Intermediate Sources	\$129,211,219	\$139,549,058	\$137,846,265
State Program Revenues	171,918,923	181,925,312	173,189,856
Federal Program Revenues	7,311,794	11,524,138	6,433,183
Total Revenues	\$308,441,936	\$332,998,508	\$317,469,304

The general fund is the district’s operating fund and accounts for 70.81% of the district’s total revenues.

WHERE DID THE GENERAL FUND REVENUES COME FROM?

Spring ISD



43.42%

Local Sources

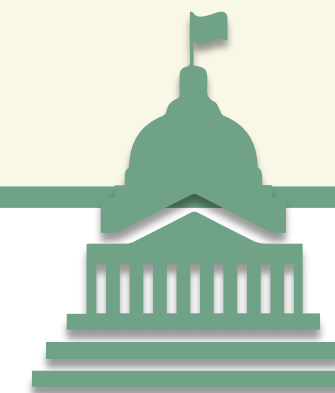
Local revenues decreased by 1% from the previous fiscal year due to a tax rate decrease required by House Bill 3. Local revenues include property taxes, earnings on investments, tuition and fees.



54.55%

State Sources

State revenues decreased by 5% from the previous fiscal year. The decrease is due to a portion of the Foundation School Program (FSP) revenue being funded through the Elementary and Secondary School Emergency (ESSER) as part of the Coronavirus Aid, Relief and Economic Securities (CARES) Act.



2.03%

Federal Sources

Revenues received from federal sources decreased by 44% as a result of two one-time payments received in fiscal year 2019 for School Health and Related Services (SHARS).

PROPERTY VALUES AND TAXES

WHAT ARE PROPERTY TAXES?

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

TOP TAX PAYER

Palmetto Transoceanic LLC
(Exxon Mobil)

\$1.2 B
8.4%

TAX RATE OVER THE LAST FIVE YEARS

Fiscal Year Ended June 30,	Tax Year	Tax Rate*	Taxable Values (in billions)	Net Tax Levy (in millions)	% Collected to Date
2020	2019	\$1.43000	\$14.3	\$201.5	98.38%
2019	2018	\$1.51000	\$13.1	\$192.3	99.54%
2018	2017	\$1.51000	\$12.6	\$184.6	99.67%
2017	2016	\$1.46996	\$11.7	\$167.5	99.76%
2016	2015	\$1.46996	\$10.6	\$153.6	99.79%

* Tax rates are per \$100 of assessed value

TOTAL ASSESSED VALUE WITHIN SPRING ISD'S BOUNDARIES

\$14,340,088,297

PROPERTY TAXABLE VALUES

Increase of \$1.2 billion or 9.2%.

TAX RATES

The 2019 tax rate includes \$0.97 used for the maintenance and operations and \$0.46 to service debt.

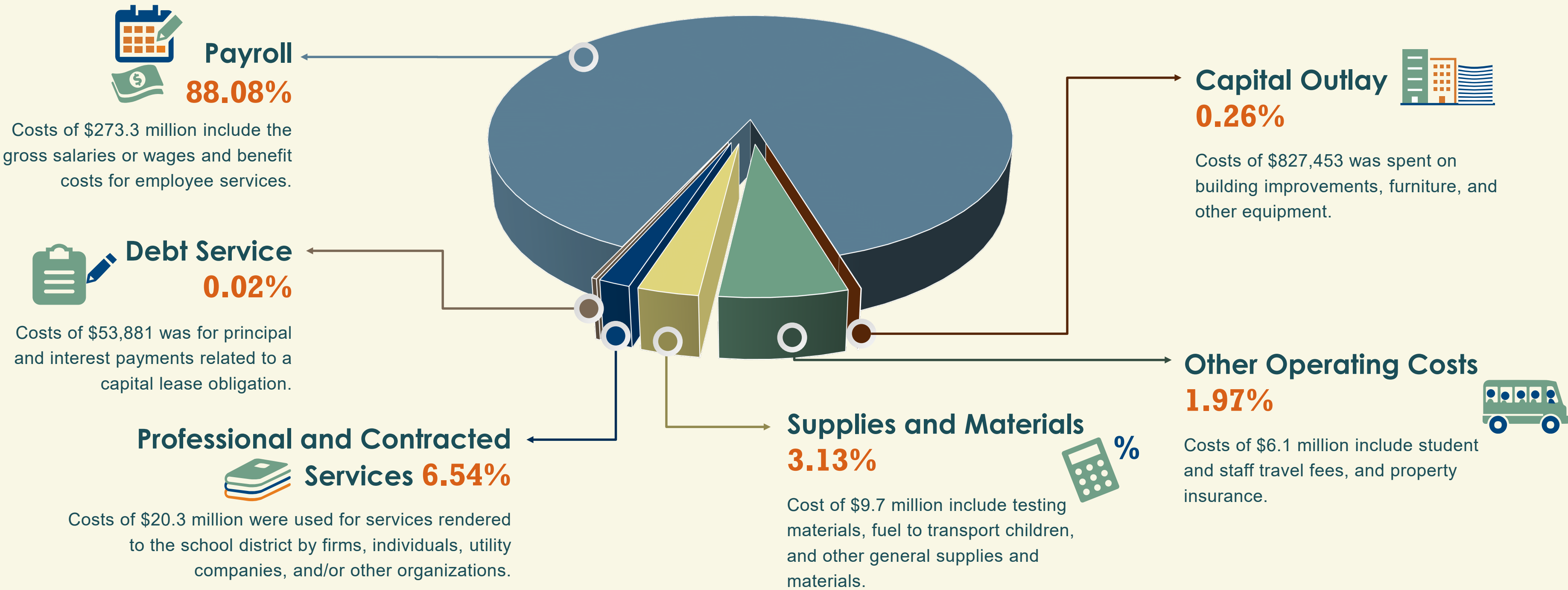
HOW WAS THE GENERAL FUND MONEY SPENT?

Spring ISD had **\$310,307,607** in general fund expenditures during fiscal year, an increase of **\$3 million** or 0.96% from prior fiscal year. The increase was primarily due to requirements of House Bill 3 which required 30% of the increase in funding to go towards compensation increases for employees other than administrators.

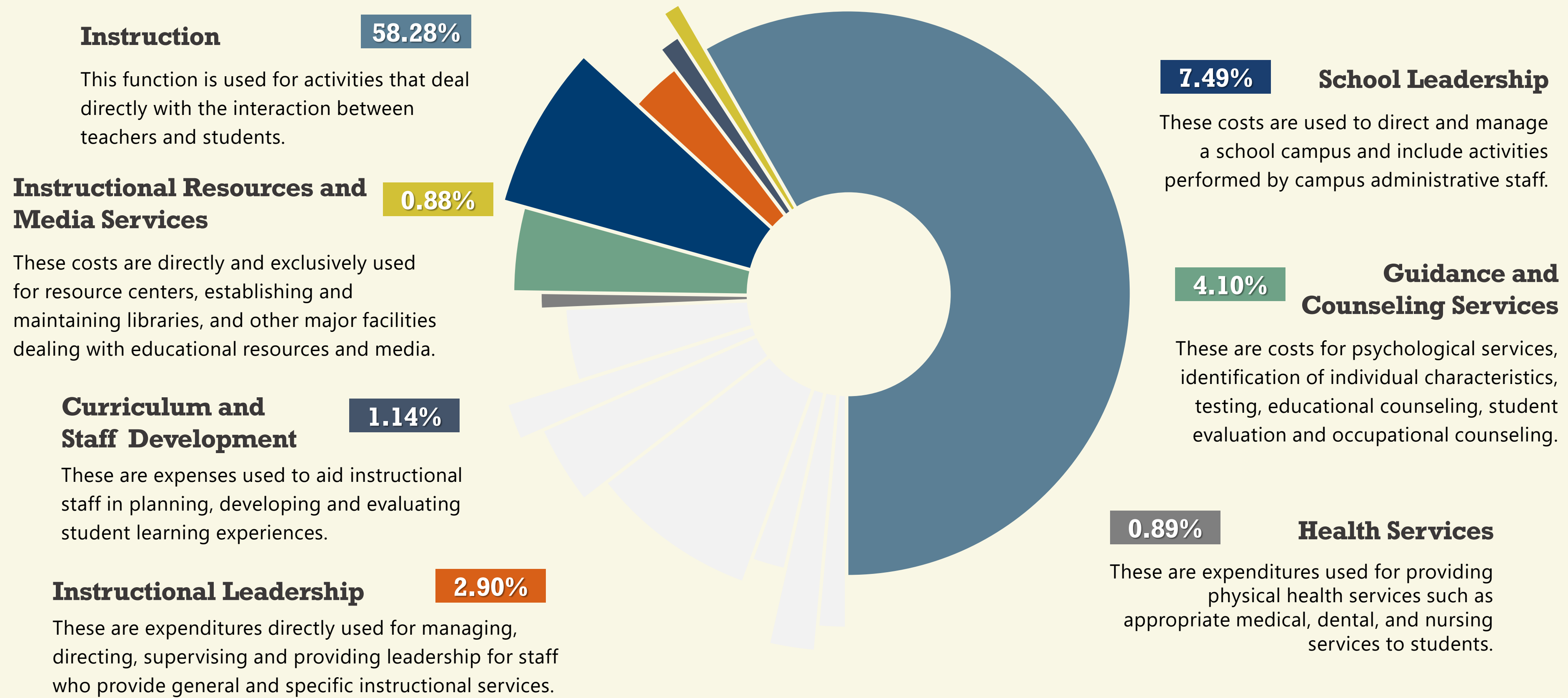


GENERAL FUND EXPENDITURES BY OBJECT

\$310,307,670



GENERAL FUND EXPENDITURES BY FUNCTION



GENERAL FUND EXPENDITURES BY FUNCTION

Student (Pupil) Transportation **4.21%**

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

Co-curricular Activities **1.72%**

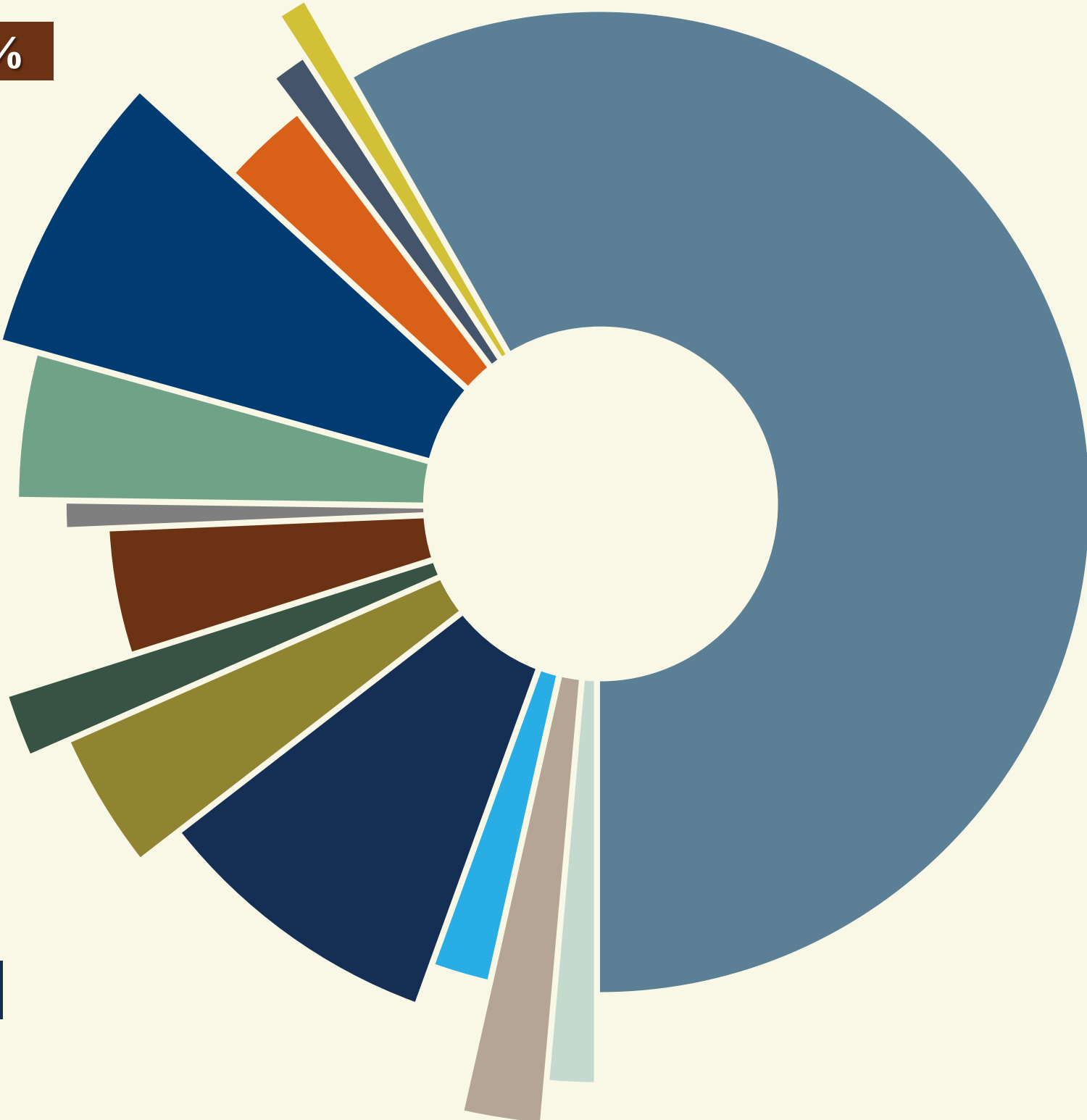
These are expenditures for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or non-competitive setting.

General Administration **3.89%**

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

Plant Maintenance and Operations **9.00%**

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



1.94% **Security and Monitoring Services**

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

2.13% **Data Processing Services**

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

1.43% **Other Expenditures**

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

COMPARISON OF GENERAL FUND

EXPENDITURES BY FUNCTION	FY 2018	FY 2019	FY 2020
Instruction	\$180,066,044	\$180,758,688	\$180,851,355
Instructional Resources and Media Services	2,421,321	2,768,316	2,718,271
Curriculum and Staff Development	3,425,001	3,398,233	3,539,771
Instructional Leadership	8,438,341	9,063,398	8,993,560
School Leadership	19,567,259	21,673,672	23,230,676
Guidance and Counseling Services	10,744,977	10,960,414	12,709,201
Social Work Services	387,586	576,023	564,413
Health Services	2,741,226	2,637,983	2,758,312
Student (Pupil) Transportation	14,701,124	14,964,661	13,051,767
Co-curricular Activities	5,313,894	5,840,549	5,333,842
General Administration	11,759,101	11,707,340	12,057,786
Plant Maintenance and Operations	24,738,562	26,603,525	27,924,606
Security and Monitoring Services	5,824,871	5,949,071	6,181,961
Data Processing Services	6,213,547	6,565,377	6,611,305
Community Services	607,803	578,236	621,334
DEBT SERVICE:			
Principal on long-term debt	34,253	37,699	46,891
Interest on long-term debt	13,137	9,691	6,990
CAPITAL OUTLAY			
Facilities Acquisition and Construction	690,076	1,073,144	700,038
INTERGOVERNMENTAL CHARGE			
Fiscal Agent/Shared Services Arrangement	11,354	13,291	2,980
Alternative Education	0	64,800	17,000
Payments to Tax Increment Fund	596,952	695,707	919,413
Other Intergovernmental Charges	1,339,461	1,411,069	1,466,198
TOTAL EXPENDITURES	\$299,635,890	\$307,350,887	\$310,307,670



DEBT SERVICE (PAYMENT OF DEBT)

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

The District received **revenues of \$66.6 million** during the fiscal year; \$65.7 million and \$0.9 million, in local and state revenues, respectively.

As of fiscal year ending June 30, 2020, the District had a balance of **\$704.8 million in general obligation bonds.**

GENERAL OBLIGATION AND REFUNDING BONDS PAYABLE

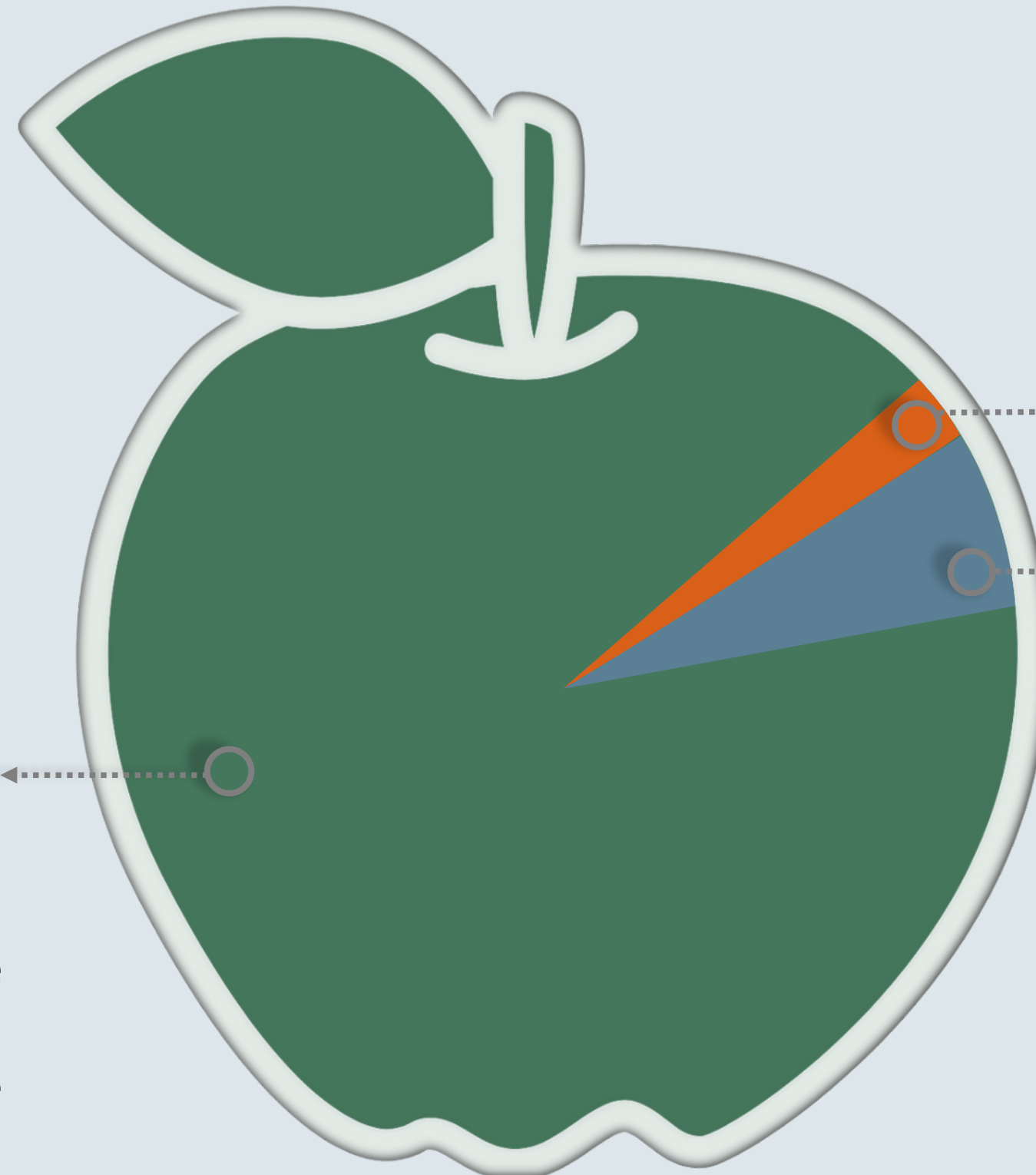
DATE SERIES ISSUED	SERIES MATURING THROUGH	INTEREST RATES %	ORIGINAL ISSUANCE	OUTSTANDING BALANCE
2011	2020	5.000	\$60,965,000	\$4,745,000
2012	2027	3.000 – 5.000	21,410,000	12,925,000
2013	2027	4.000 – 5.250	38,110,000	21,450,000
2013A	2029	3.250 – 5.000	33,005,000	22,425,000
2014	2030	3.250 – 5.000	76,865,000	72,710,000
2015	2033	4.000 – 5.000	136,870,000	123,405,000
2016	2034	3.500 – 5.000	80,120,000	67,295,000
2017	2042	4.000 – 5.000	198,715,000	190,300,000
2017A	2029	3.000 – 5.000	53,615,000	53,615,000
2018	2033	4.000 – 5.000	10,385,000	8,465,000
2019	2043	4.000 – 5.000	98,070,000	98,070,000
2020	2026	3.000 – 5.000	29,425,000	29,425,000
			\$837,555,000	\$704,830,000

PRINCIPAL AND INTEREST PAYMENT OBLIGATIONS BY YEAR

FISCAL YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE
2021	\$32,165,000	\$32,289,575	\$64,454,575
2022	34,930,000	31,146,469	66,076,469
2023	36,745,000	29,379,519	66,124,519
2024	38,575,000	27,515,394	66,090,394
2025	40,470,000	25,554,269	66,024,269
2026-2030	229,965,000	95,278,090	325,243,090
2031-2035	149,670,000	47,047,850	196,717,850
2036-2040	78,815,000	24,124,000	102,939,000
2041-2044	63,495,000	5,002,225	68,497,225
TOTAL	\$704,830,000	\$317,337,391	\$1,022,167,391

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. During the fiscal year the District received \$52.6 million in revenues and spent \$55.1 million.



77.50%

FEDERAL

Revenues received of \$40.8 million include \$19.1 million or 47% to fund the Nutritional School Breakfast and Lunch Program, and \$10.5 million or 26% were received by ESEA Title I fund.

6.35%

LOCAL

Revenues received of \$3.3 million include \$1.5 million generated from food sales.

16.15%

STATE

Revenues received of \$8.5 million include \$7.9 million from Instructional Materials fund.

CAPITAL PROJECTS FUND



Total Capital Projects Fund expenditures for the fiscal year totaled **\$131.5 million**, which included the replacement Roberson Middle School campus, a new middle school in the northern part of the district, Springwoods Village Middle School and the opening of a replacement district stadium.

Other building renovations and upgrades were made to Dueitt Middle School, Twin Creeks Middle School and Wells Middle School.

CAPITAL PROJECTS FUND



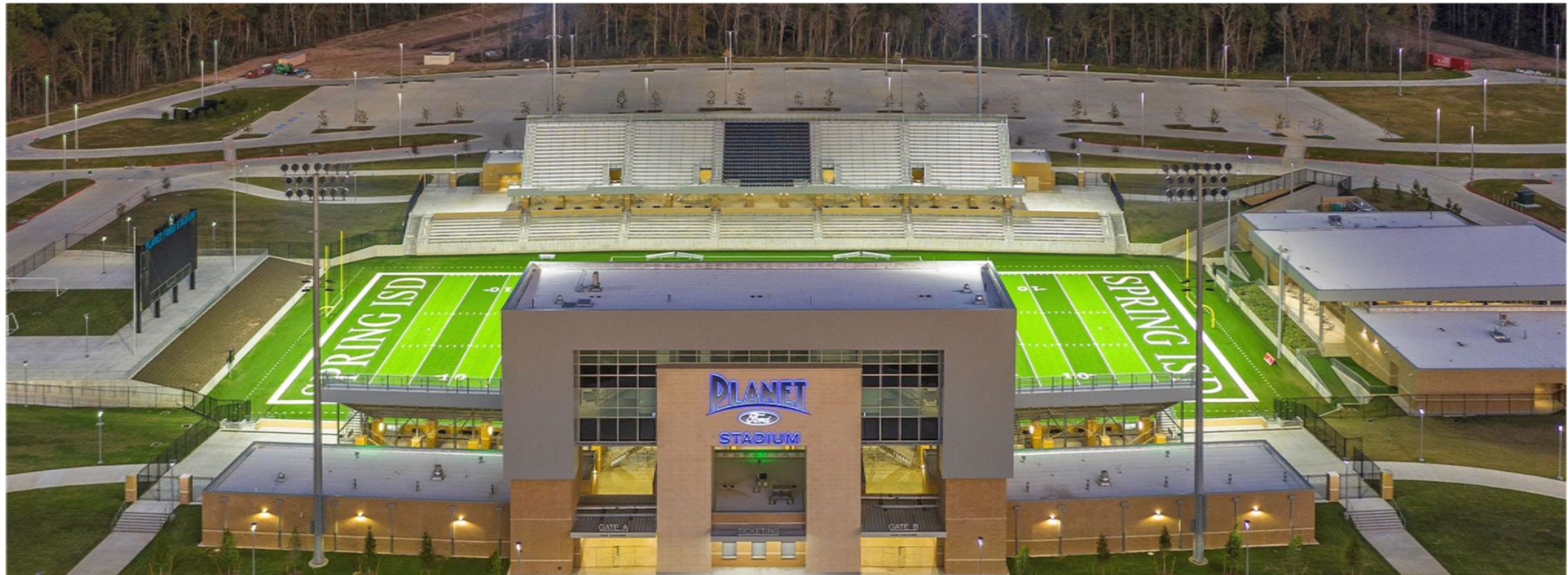
Roberson Middle School replacement building includes a 400-seat auditorium, an open-concept dining area, and learning areas for the school's specialized programs, including agriculture, engineering, criminal justice and performing arts.

CAPITAL PROJECTS FUND



Springwoods Village Middle School features daylit classrooms around flexible learning areas to encourage collaboration and project-based experiences. The design of the two-story building includes classrooms, fine arts, dining, library and gymnasium spaces on the first floor with additional classrooms on the second floor.

CAPITAL PROJECTS FUND



The **district's replacement stadium** features a state-of-the-art turf field with seating for 8,000 fans on a 117-acre parcel of land.

The 19,650 square-foot field house includes locker rooms, maintenance and operations, district athletic offices, and a 6,300 square foot Community Room with seating for up to 300 people. The facility accommodates football, soccer, band competitions, and other community events.

FINANCIAL ACHIEVEMENTS



Association of School Business Officials
Certificate of Excellence in Financial
Reporting 2019



No findings of questioned costs in
the annual audit of fiscal
operations.



Government Finance Officers Association
Certificate of Achievement for Excellence in
Financial Reporting.



Superior Achievement under School FIRST
(**Financial Integrity Rating System of Texas**)
for the Fiscal year 2018-19.



Maintained a Standard & Poor's
credit rating of AA- and
Moody's rating of Aa2.



Texas Association of School Business Officials
Purchasing Award of Merit

OUTSTANDING ACHIEVEMENT AWARD



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Spring Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Merrill

Executive Director/CEO

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Award for Outstanding Achievement in Popular Financial Reporting to Spring Independent School District for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

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

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



Thank You

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

