



TEXAS CITY, TX



TEXAS CITY INDEPENDENT SCHOOL DISTRICT



# Annual Comprehensive Financial Report

FOR YEAR ENDING  
AUGUST 31, 2021



---

TEXAS CITY INDEPENDENT SCHOOL DISTRICT  
1700 NINTH AVENUE NORTH | TEXAS CITY, TX 77590



FOR THE YEAR ENDING 2021

# Annual Comprehensive Financial Report

**MARGARET LEE**  
ASST. SUPERINTENDENT,  
BUSINESS & OPERATIONS

**ZACH COWEY**  
DIRECTOR OF FINANCE



**Texas City Independent School District**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended August 31, 2021**  
**Table of Contents**

Page    Exhibit

**Introductory Section**

Certificate of Board .....	v	
Principal Officials and Advisors .....	vi	
Transmittal Letter .....	viii	
Certificate of Achievement for Excellence in Financial Reporting.....	xvi	
Organizational Chart .....	xvii	

**Financial Section**

Independent Auditor's Report .....	3	
Management's Discussion and Analysis .....	9	

**Basic Financial Statements**

Government-wide Financial Statements		
Statement of Net Position .....	18	A-1
Statement of Activities .....	19	B-1
Fund Financial Statements		
Balance Sheet – Governmental Funds .....	20	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	23	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	24	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	26	C-3
Statement of Net Position – Proprietary Fund .....	27	D-1
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund .....	28	D-2
Statement of Cash Flows – Proprietary Funds.....	29	D-3
Statement of Net Position – Fiduciary Fund .....	30	E-1
Statement of Changes in Net Position - Fiduciary Funds .....	31	E-2
Notes to the Financial Statements .....	33	

**Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	65	G-1
Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas .....	66	G-2
Schedule of the District's Contributions to the Teacher Retirement System of Texas Pension Plan .....	67	G-3
Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas .....	68	G-4
Schedule of the District's Contributions to the Teacher Retirement System of Texas OPEB Plan .....	69	G-5
Notes to the Required Supplementary Information .....	71	

**Texas City Independent School District**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended August 31, 2021**  
**Table of Contents - Continued**

	Page	Exhibit
<b>Supplementary Information</b>		
Combining and Individual Funds Financial Statements		
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds .....	76	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds .....	80	H-2
Compliance Schedules		
Schedule of Delinquent Taxes Receivable .....	84	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National School Breakfast and Lunch Program .....	86	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund .....	87	J-3
<b>Statistical Section</b>		
	Page	Table
<b>Financial Trends</b>		
Net Position by Component – Last Ten Fiscal Years .....	92	1
Changes in Net Position – Last Ten Fiscal Years .....	94	2
Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	98	3
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	100	4
<b>Revenue Capacity</b>		
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years .....	105	5
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years .....	106	6
Principal Taxpayers – Current Year and Nine Years Ago .....	108	7
Property Tax Levies and Collections – Last Ten Fiscal Years .....	109	8
<b>Debt Capacity</b>		
Outstanding Debt by Type – Last Ten Fiscal Years .....	110	9
Ratios of Net General Obligation Bonded Debt Outstanding – Last Ten Fiscal Years .....	111	10
Direct and Overlapping Governmental Activities Debt .....	113	11
Legal Debt Margin Information – Last Ten Fiscal Years .....	114	12
<b>Demographic and Economic Information</b>		
Demographic and Economic Statistics – Last Ten Fiscal Years .....	116	13
Demographic Statistics .....	117	14
Principal Employers – Current and Nine Years Ago .....	119	15
<b>Operating Information</b>		
Full-time Equivalent District Employees by Position – Last Ten Fiscal Years .....	120	16
Operating Statistics – Last Ten Fiscal Years .....	124	17
Teacher Base Salaries – Last Ten Fiscal Years .....	127	18
School Building Information – Last Ten Fiscal Years .....	128	19

**Texas City Independent School District**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended August 31, 2021**  
**Table of Contents - Continued**

Page   Exhibit

**Overall Compliance, Internal Control Section and Federal Awards**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	137	
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance .....	139	
Schedule of Findings and Questioned Costs .....	141	
Summary Schedule of Prior Audit Findings .....	142	
Schedule of Expenditures of Federal Awards .....	143	K-1
Notes to Schedule of Expenditures of Federal Awards .....	145	

**This Page Intentionally Left Blank**



## Introductory Section





**Certificate of the Board**

**Texas City Independent School District**

Name of School District

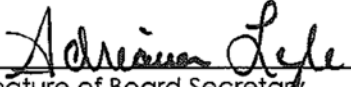
**Galveston**

County

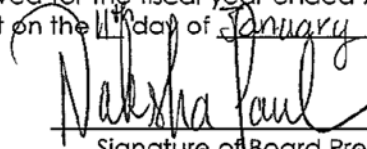
**084-906**

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and 7 approved 0 disapproved for the fiscal year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the 11<sup>th</sup> day of January, 2022.



Signature of Board Secretary



Signature of Board President

If the Board of Trustees disapproved the auditor's report, the reason(s) for disapproving it is/are (attach list as necessary):

---

## Principal Officials and Advisors

### Board of Trustees

Name	Date Elected	Term Expires	Occupation
Nakisha Paul President, District 3	2017	2023	Nursing Information Tech Coordinator
Melba Anderson Vice President, District 1	2001	2022	Health Care Provider
Michael Matranga Trustee, At-large	2021	2024	Security Consulting
Mable Pratt Trustee, District 2	2017	2022	Retired Educator
Bryan Thompson Trustee, District 4	2010	2022	Sr. HES Safety Specialist Fire Chief
Dickey Campbell Trustee, District 5	2014	2023	Regional Loan President
Hal Biery Trustee, District 6	2008	2024	Retired Police

### Administrative Officials

Name	Department	Length of Service with District
Dr. Melissa Duarte	Superintendent	1 Year
Dr. Terri Burchfield	Deputy Superintendent	21 Years
Kami Hale	Assistant Superintendent of Curriculum & Instruction	7 Months
Marcus Higgs	Assistant Superintendent of Human Resources	20 Years
Margaret Lee	Assistant Superintendent of Business & Operations	8 Years

### Consultants and Advisors

Weaver and Tidwell, L.L.P., Houston, Texas	Independent Auditors
Norton Rose Fulbright US LLP, Austin, Texas	Bond Counsel
SAMCO Capital, San Antonio, Texas	Financial Advisor
Thompson & Horton LLP, Houston, Texas	Legal Counsel
Texas Association of School Business Officials	School Finance
Moak, Casey & Associates	School Finance & Accountability
Templeton Demographics, L.L.C.	Demographer

**This Page Intentionally Left Blank**



February 17, 2022

To the Board of Trustees and Citizens of the Texas City Independent School District:

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with the Generally Accepted Accounting Principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to this requirement, we hereby issue the Annual Comprehensive Financial Report of the Texas City Independent School District (the District) for the fiscal year ended August 31, 2021.

This report consists of managements' representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In developing, evaluating, and improving the District's accounting system, consideration is given to the adequacy of the internal control structure. Internal controls are designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and those transactions are executed in accordance with the management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

The financial statements of the District have been audited by Weaver, 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 August 31, 2021, 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 year ended August 31, 2021 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 needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors 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 may be found in the Federal Awards section of this report.



GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management 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.

## **PROFILE OF THE DISTRICT**

The Texas City Independent School District is an independent public educational agency operating under applicable laws and regulations of the State of Texas providing a full range of educational services appropriate to grade levels ranging from pre-kindergarten through grade twelve. Texas City ISD is situated in Galveston County, approximately 45 miles southeast of Houston.

During the 2020-2021 school year the District had 8,044 students enrolled, with an average daily attendance (ADA) of 7,193. When compared to the 8,807 students in the 2016-2017 school year, enrollment decreased by 9.5%. Texas City ISD employs 1,270 staff, with teachers representing 45% of the total staff. The District currently serves students across two high schools, one Industrial Trades Center, three middle/intermediate schools, six elementary schools, one Early Childhood Center, which houses a Head Start Pre-Kindergarten Program, and one Disciplinary Alternative Education Center.

In July 2016, La Marque ISD was annexed to Texas City ISD by the Texas Education Agency. The impact of the annexation is noted throughout the historical tables in this document. Since the annexation, TCISD has averaged a decline in student enrollment of approximately two percent per year. During the 2020-2021 school year, the District noticed, as did most schools nationwide, a decline from anticipated enrollment directly related to the COVID-19 pandemic.

At the end of the fiscal year, the District was in the process of relocating three elementary campuses into new facilities. Simms Elementary and Hayley Elementary opened to the community in August 2021, while Guajardo Elementary began servicing students in January 2022 (immediately before this report was issued). The District began construction on Giles Middle School in 2020-2021 with plans to occupy the new facility in the Summer of 2022. All four of these replacement campuses were funded through the \$136.1 million school bond, which passed with more than 70 percent of voters in May of 2018.

## **GOVERNING BODY**

The seven members of the Board of Trustees serve, without compensation, a three-year term. On a rotating basis, elections are held on the first Saturday in May for either two or three positions each year. Any potential vacancies may be filled by appointment until the next regularly scheduled election. Candidates must be qualified voters of the District.

Regular meetings of the Board of Trustees are held on the second Tuesday of each month and are held in the boardroom at the Simpson Education Support Center. Special meetings and workshops are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, the courts, and the will of the people as expressed in Trustee elections. Board decisions are based on a majority vote of those present.

In general, the Board adopts policies, employs the Superintendent, and oversees the operations of the District and its schools. Besides general Board business, Trustees are charged with numerous statutory regulations, including the calling of trustee and other school elections, canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, adopting an employee compensation plan, serving as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.

## EDUCATION

Texas City Independent School District is a public school system committed to providing safe facilities that are supportive of educational programs for all students. Considering the COVID-19 pandemic, the District has implemented various measures to keep students and staff healthy and safe. During the 2021-2022 school, the District has put measures in place to ensure the safety of our staff and students, including air purifiers and mask mandates.

The District's Mission Statement is "We will prepare our students to reach their full potential and excel in their chosen paths". Emphasis is placed on initiating strategies aimed at closing achievement gaps and offering a comprehensive curriculum covering the areas of Career and Technical Education, Special Education, Bilingual Education, Compensatory Education, and Gifted and Talented Education. Within these programs are numerous sub-programs tailored to meet or exceed State and Federal requirements. The District is in the process of beginning a dual language program with our incoming kindergartners. This program is designed to develop a student's ability to become bicultural and biliterate.

Texas City ISD's Career and Technical Education (CTE) program meets all the graduation endorsement requirements, programs of study, and focuses on developing foundational skills, core workplace competencies, and specific skill competencies in various occupational areas. The goal of the CTE programs is to attract, develop, and prepare students for diverse careers that reflect current and future industry trends. The CTE program provides students with an opportunity to earn a variety of TEA-approved certifications that meet College, Career, and Military Readiness (CCMR) requirements for the District. TCISD's Industrial Trades Center (ITC) is an integral part of the program and a source of pride for the District and community. The Industrial Trades Center offers industry based NCCER certifications in maritime, pipefitting, construction trades, electrical technology, machining, and welding. Other industry-based certifications offered at the ITC include forklift, American Welding Society (AWS), CPR, and OSHA 10. The ITC also partners with the SER's program to provide graduating seniors with a 10-week summer internship with local industry contractors.

Texas City ISD partners with College of the Mainland (COM) to provide a Collegiate High School, enabling students to simultaneously earn a high school diploma from one of TCISD's high schools and an associate degree from COM. Additionally, the District is in the planning phase of beginning an Early College High School at both of our high school campuses. This will increase the opportunities for our students to graduate with an associate's degree on their home campus.

Texas City ISD wants all students to have an educational experience that prepares them to become lifelong learners and contributors. Now more than ever, that experience must not only provide for challenging academic content, but it must also be more intentional about helping students develop critical thinking, communication, collaboration, creativity and other skills and habits that our students need to be successful in this complex, rapidly changing world.

During the 2020-2021 the District asked the community to help develop the Portrait of a Graduate, a collective vision that describes the community's goals for their students. The Portrait of a Graduate adopted by the District's Board includes eight prevailing characteristics of a Texas City ISD Graduate.

# **PORTRAIT** of a **GRADUATE**

**TEXAS CITY**  
 INDEPENDENT SCHOOL DISTRICT  
 TOGETHER WE SUCCEED



**READY FOR COLLEGE. CAREER. LIFE.**

## **VISION & CORE BELIEFS**

TCISD's Vision Statement, "together we succeed", encompasses the belief that every employee plays an integral role in the success of its students. The vision is based on twelve Core Beliefs:

- We believe every decision should be based on what is best for students.
- We believe all stakeholders should be treated with respect.
- We believe cultural diversity should be embraced.
- We believe high expectations should be maintained for all employees and students.
- We believe District employees should take time to know and understand students and colleagues.
- We believe high quality instruction should be delivered in an engaging manner.
- We believe all students should have opportunities to explore and develop their unique traits.
- We believe each Texas City ISD graduate should be college and/or career ready.
- We believe all TCISD graduation pathways are worthy and deserving of respect. We believe the implementation of quality, research-based professional development will improve student learning.
- We believe all District personnel have a moral obligation to create, maintain and support a learning environment that is academically, emotionally, and physically safe.
- We believe shared leadership and collaboration are essential for our success.

## **ECONOMIC CONDITION AND OUTLOOK**

Texas City ISD is in Galveston County and is part of the Houston Metropolitan Statistical Area (MSA), the fifth most populous in the U.S. and second most populous in Texas. The Houston MSA spans an area of 9,444 square miles. The Houston economy is comprised of many sectors that include engineering, health care, biomedical research, manufacturing, aerospace and oil and gas. The Houston metropolitan area is ranked fourth within the Nation when it comes to gross metropolitan product. The Houston MSA boasts the world's largest petrochemical manufacturing area and highest trade export value of all metropolitan statistical areas due to the inclusion of the Port of Houston and twenty-two Fortune 500 companies.

Texas City ISD encompasses a predominantly industrial area along the Gulf Coast in Galveston County. It includes the deep-water port of Texas City. The area is also a center for petroleum refining and petrochemical manufacturing. The City of Texas City's economic base maintains its status as a major global economic power, with one of the largest ports in the country, which is a gateway to worldwide trade and a major hub for world energy supplies. The industrial base comes from a strong petrochemical industry with significant base operations in the area, including Marathon Petroleum, Valero Refining, Eastman Chemical, BP Chemical, Dow Chemicals and Ashland, Inc. These facilities account for nearly \$400 million in payroll annually, more than \$75 million in local property and sales taxes, almost \$2 million for local charity contributions, and provide more than 26,000 man-hours for local volunteer programs.

The industrial sector is making a significant investment in the area economy. Marathon initiated a \$200 million upgrade and expansion that will occur over the next few years. NextDecade announced the construction of a \$2 billion LNG plant on Shoal Point in Texas City. Gulf Coast Ammonia and Air Products are partnering on \$1.1 billion anhydrous ammonia facility.

## **GROWTH**

While La Marque is experiencing a housing boom with a 31 percent growth rate from 2010 to 2021, many of the subdivisions are located on the outskirts of Texas City ISD's attendance zones. The District's enrollment has declined from 8,945 in 2016-17 after the annexation of La Marque ISD to Texas City ISD to 8,044 students in 2020-2021, an overall decrease of 901 students in five years. However, a recent demographic study used for the District's 10 year facilities plan projects a growth in student enrollment over the next 10 years based on upcoming housing developments and census data.

## **BUDGETARY PROCESS**

State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The annual budget serves as the foundation for the District's financial planning and control. The budget process must include budgeting for the General Fund, Debt Service Fund, and the Child Nutrition Fund.

Each year, the Board of Trustees and the Superintendent begin the budget process by reviewing the goals that establish the basis for budgeting available resources. Considering the current and forecasted economic conditions, changing financial accountability standards, and the changing student population, the District makes it a priority to adjust the programmatic structure to best meet the needs of the students.

As the budgets are developed by each campus and department, the District and Campus Improvement Plans (CIP and DIP) are used to ensure that goals outlined in the needs assessments are addressed. The budgets represent a balance between the District's educational and programmatic needs, and the ability of the community and the State of Texas to provide the necessary resources.



The Board adopts the Budget Planning Calendar for the upcoming budget cycle in February of each year that establishes the timeline for budget workshops and milestones in the budgeting process. During February and March, the District reviews student trend and cohort data and develops pupil projections to be used for the upcoming budget cycle. During this same timeframe, the Superintendent's Cabinet reviews staffing guidelines and budget allocations. After the staffing guidelines are approved, campuses and departments begin formulating needs assessments and submitting "over allocation" requests for any expense not covered by the staffing and budget allocations. In May, the Cabinet reviews the "over allocation" requests and incorporates approved requests into the preliminary budget. Consolidated budgeting information is presented to the Superintendent's Cabinet and the Board in various budget workshops and meetings. With a September 1st fiscal start date, the District must prepare an annual budget by August 20th of each year.

## **FINANCIAL PLANNING**

Major revenue sources include local property taxes, state funding from the Foundation School Program (FSP), Available School Fund (ASF), federal funding, Chapter 313 payments, foreign trade zone payments, interest earnings income, and miscellaneous income including gate receipts and locally awarded grant programs.

In order to ensure that Texas City ISD will have sufficient resources to cover the expenditures that will be incurred over the next few years, it has been the District's practice to complete a five-year forecast of revenue and expenditures. In an environment where the revenue funding formula can change significantly based on legislative actions, there are some foundational assumptions in these calculations.

Texas City ISD uses multiple methods to forecast revenues, with a review of Average Daily Attendance and taxable property values being the main factors. Local taxable values for the 2020-2021 fiscal year were 9.2% higher than the prior year's values, and the District is conservatively estimating future growth.

### **Revenue Assumptions**

1. Student enrollment will decrease by two percent per year.
2. Property values will increase by five percent per year.
3. The current funding formulas will not change.

### **Expenditure Assumptions**

1. Staffing will be adjusted to align with student enrollment and staffing formulas.
2. The District will continue to base campus and department budgets on current allocations.
3. Expenditures not directly impacting instructional needs will be analyzed annually.

## **FUND BALANCE**

Policy CE (Local) addresses the annual operating budget and fund balances of the District. While the policy does not establish a threshold for each fund balance classification, the Board monitors unassigned fund balances with a goal of three months of operations. This fund balance goal seeks to maintain the District's financial ratings and reflect the Board's commitment to financial stability. The District also assigns fund balance for insurance deductibles so that funds are readily available if the District needs to respond to a natural disaster. Other assignments of fund balance include potential refunds for property value settlements and facilities improvements.

## **AWARDS**

The District received its first Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the Annual Comprehensive Financial Report for the fiscal year ending August 31, 2020. To receive this recognition, the District's report must meet the high standards of the program which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. The report should be easily readable, efficiently organized, and satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The District's Purchasing Department received the Award of Merit for Purchasing Operations from the Texas Association of School Business Officials (TASBO). This award recognizes districts committed to following professional standards in the acquisition of goods and services. Texas City ISD was one of 58 districts in Texas to receive this recognition.

The Financial Accountability Rating System of Texas (FIRST) program, a financial accountability system for Texas school districts, was developed by the Texas Education Agency (TEA) in response to Senate Bill 218 of the 77th Texas Legislature in 2001.

The TEA has awarded the District a rating of "Superior" for the year ended August 31, 2020. The current rating of "Superior" is based upon an analysis of student and staff data, as well as budgetary and actual financial data for the fiscal year.

The primary goal of FIRST is to achieve quality performance in the management of school district financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system. Texas City ISD has met the challenges presented by operational and regulatory oversight and earned TEA's "Superior" rating with a perfect score of 100 points.

### ACKNOWLEDGEMENTS

We appreciate the contributions and input from the Texas City / La Marque Chamber of Commerce, Galveston Central Appraisal District, the City of Texas City, and the District's Communications Department.

We appreciate the support and encouragement from the District's Board of Trustees and the Texas City and La Marque communities who have embraced the District's vision of "Together We Succeed".

Respectfully submitted,

X Melissa Duarte

Dr. Melissa Duarte  
Superintendent

X Margaret Lee

Margaret Lee, CPA, RTSBA  
Assistant Superintendent of Business

X

Zachary Cowey  
Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Texas City Independent School District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2020

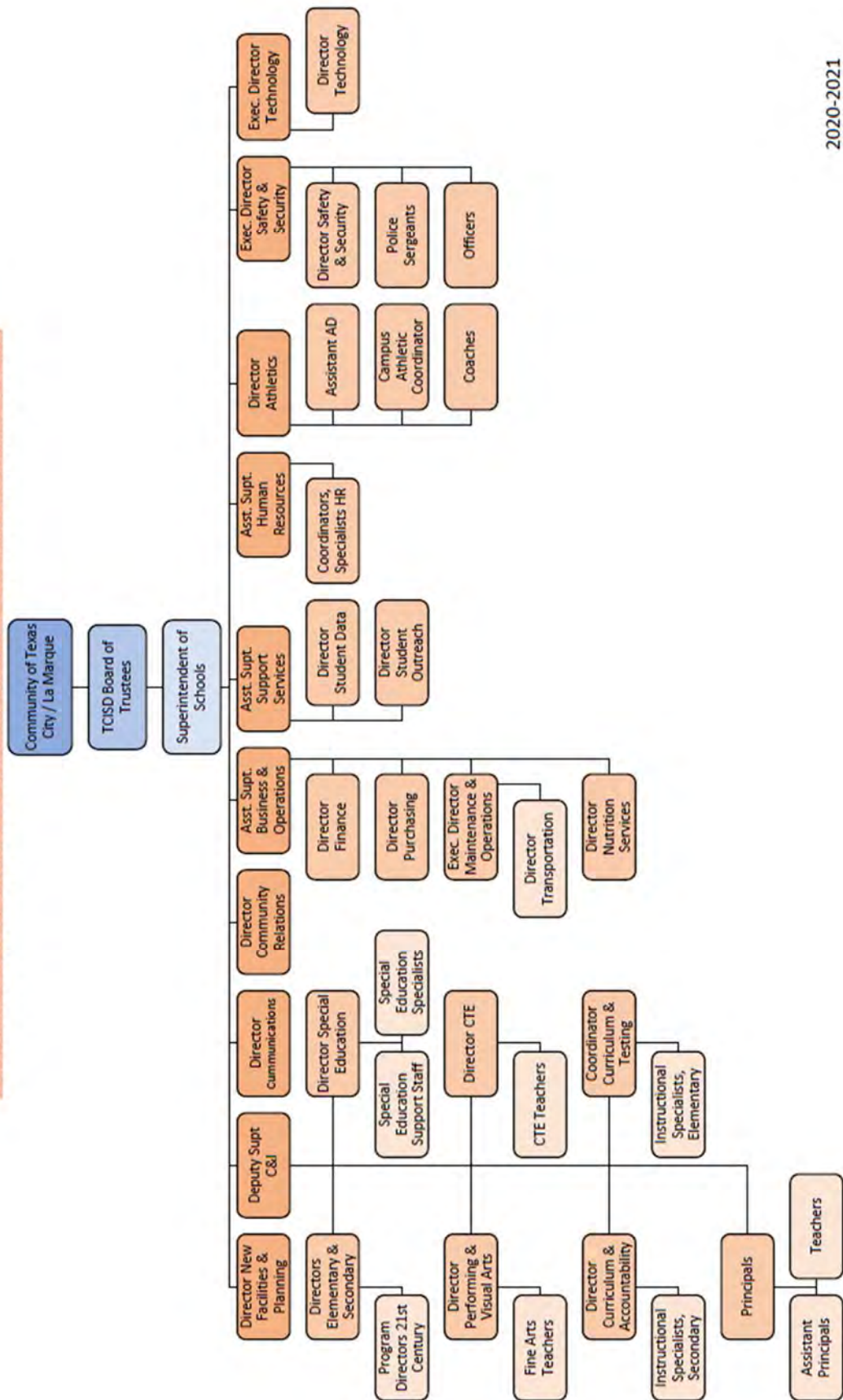
*Christopher P. Morill*

Executive Director/CEO





## TEXAS CITY INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART



2020-2021

## Financial Section



**This Page Intentionally Left Blank**

## Independent Auditor's Report

To the Board of Trustees of  
Texas City Independent School District  
Texas City, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Texas City Independent School District (the District), as of and for the fiscal year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.



***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, during the fiscal year ended August 31, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Beginning fund balance and beginning net position have been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Supplementary Information and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information and the Schedule of Expenditures of the Federal Awards are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and the Schedule of Expenditures of the Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Board of Trustees of  
Texas City Independent School District

The Introductory and Statistical Sections (Other Information) have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2022 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 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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
January 11, 2022

**This Page Intentionally Left Blank**

## Management's Discussion and Analysis



**This Page Intentionally Left Blank**

## Management's Discussion and Analysis

As management of the Texas City Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2021.

### Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at year-end by \$149,286,447 (net position).
- The District's total net position increased by \$29,119,369 from current operations.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$166,510,031, a decrease of \$30,702,162 as compared to the preceding year.
- At the end of the year, unassigned fund balance of the general fund was \$26,946,567 or 29 percent of the year's total general fund expenditures.
- The District's total bonded debt decreased by \$13,651,987 (6 percent) during the year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report contains required supplementary information and supplementary and other information in addition to the basic financial statements.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the year. Changes in net position are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and incurred but unpaid workers' compensation benefits).

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes and intergovernmental revenues. The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, Facilities Repair and Maintenance, Contracted Instructional Services Between Schools, Payments Related to Shared Service Arrangements, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges*, as applicable.

The government-wide financial statements can be found as noted in the table of contents of this report.

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

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of cash resources*, as well as on *balances of cash resources* available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained twenty-four individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects funds, which are considered to be major funds. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation titled *other governmental funds*.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison statement has been provided for the general fund, debt service fund and national school breakfast and lunch program special revenue fund to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

**Proprietary Fund.** The District maintains one type of proprietary fund. An internal service fund is a type of proprietary fund that uses an accounting process which accumulates and allocates costs internally among the District's various funds and functions. The District uses the internal service fund to account for its self-funded workers' compensation program. Because this service predominantly benefits governmental operations, their financial activities have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, only in more detail. The internal service fund financial statements are provided with the basic financial statements and provide information for the self-funded workers' compensation program.

The basic proprietary fund financial statements are noted in the table of contents of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of employees, students, and student organizations. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs and activities. A statement of fiduciary net position and statement of changes in fiduciary net position are presented for fiduciary funds, as noted in the table of contents of this report.



**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are noted in the table of contents of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary and other information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

## Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$149,286,447, an increase of \$29,119,369 from current operations over the preceding year.

### Texas City Independent School District's Net Position

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 187,216,130	42	\$ 216,330,133	50	\$ (29,114,003)	(13)
Capital assets, net of depreciation	260,854,446	58	213,734,105	50	47,120,341	22
Total assets	448,070,576	100	430,064,238	100	18,006,338	
Total deferred outflows of resources	21,207,621	100	27,111,319	100	(5,903,698)	(22)
Long-term liabilities outstanding	270,668,937	95	293,785,601	96	(23,116,664)	(8)
Other liabilities	13,987,014	5	12,787,659	4	1,199,355	9
Total liabilities	284,655,951	100	306,573,260	100	(21,917,309)	
Total deferred inflows of resources	35,335,799	100	30,570,605	100	4,765,194	16
Net position:						
Net investment in capital assets	114,159,457	76	104,566,496	87	9,592,961	9
Restricted	18,797,980	13	14,799,676	12	3,998,304	27
Unrestricted	16,329,010	11	665,520	1	15,663,490	2,354
<b>Total net position</b>	<b>\$ 149,286,447</b>	<b>100</b>	<b>\$ 120,031,692</b>	<b>100</b>	<b>\$ 29,254,755</b>	

The largest portion of the District's net position is net investment in capital assets. Investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that are still outstanding represent 76 percent of the District's net position. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of \$18,896,371, which represents 13 percent of total net position, is restricted for future debt service and grant expenditures.

Unrestricted net position of \$16,230,619 increased due to increases in property taxes and grants and contributions offset by decreases in overall expenses related to decreases in the net OPEB liability.

**Governmental Activities.** Governmental activities increased the District's net position by \$29,119,369 from current operations. Key elements of this change are as follows:

Texas City Independent School District's Change in Net Position

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues:						
Program revenues:						
Charges for services	\$ 873,193	1	\$ 1,274,635	1	\$ (401,442)	(31)
Operating grants and contributions	28,674,672	19	25,471,754	17	3,202,918	13
General revenues:						
Property taxes, levied for general purposes	57,999,097	37	56,851,567	38	1,147,530	2
Property taxes, levied for debt service	19,559,186	13	17,999,757	12	1,559,429	9
Grants and contributions not restricted to specific programs	42,583,081	28	41,787,176	28	795,905	2
Insurance proceeds	522,220	-	687	-	521,533	-
Investment earnings	674,183	-	3,415,551	2	(2,741,368)	(80)
Miscellaneous	3,149,878	2	3,603,110	2	(453,232)	(13)
Total revenues	154,035,510	100	150,404,237	100	3,631,273	
Expenses:						
Instruction	62,879,167	49	62,660,852	49	218,315	-
Instructional resources and media services	1,195,851	1	1,263,119	1	(67,268)	(5)
Curriculum and instructional staff development	1,394,211	1	1,652,079	2	(257,868)	(16)
Instructional leadership	1,964,015	2	2,182,441	2	(218,426)	(10)
School leadership	6,200,261	5	6,601,624	5	(401,363)	(6)
Guidance, counseling, and evaluation services	3,265,783	3	3,689,742	3	(423,959)	(11)
Social work services	312,200	-	333,822	-	(21,622)	(6)
Health services	965,273	1	1,051,097	1	(85,824)	(8)
Student transportation	2,873,162	2	2,322,015	2	551,147	24
Food services	5,228,229	4	5,354,694	4	(126,465)	(2)
Extracurricular activities	3,627,889	3	3,674,629	3	(46,740)	(1)
General administration	3,709,529	3	4,074,822	3	(365,293)	(9)
Plant maintenance and operations	15,684,150	13	16,094,151	13	(410,001)	(3)
Security and monitoring services	3,245,474	3	3,355,603	3	(110,129)	(3)
Data processing services	3,177,338	3	2,873,593	2	303,745	11
Community services	354,222	-	356,541	-	(2,319)	(1)
Interest on long-term debt	6,947,062	6	7,987,463	6	(1,040,401)	(13)
Issuance costs and fees	255,597	-	215,315	-	40,282	19
Facilities repair and maintenance	-	-	74,621	-	(74,621)	(100)
Contracted instructional services between schools	631,414	1	183,450	-	447,964	244
Payments related to shared service arrangements	387,258	-	329,659	-	57,599	17
Other intergovernmental charges	618,056	-	616,127	1	1,929	-
Total expenses	124,916,141	100	126,947,459	100	(2,031,318)	
Change in net position	29,119,369		23,456,778		5,662,591	
Net position - beginning, as originally reported	120,031,692		96,574,914		23,456,778	
Cumulative effect of adoption of GASB 84	135,386		-		135,386	
Net position - beginning, as restated	120,167,078		96,574,914		23,592,164	
Net position - ending	\$ 149,286,447		\$ 120,031,692		\$ 29,254,755	

Revenues, aggregating \$154,035,510, were generated primarily from two sources. Property taxes \$77,558,283 represent 50 percent of total revenues while grants and contributions, (including those not restricted for program-specific use as well as for general operations, totaling \$71,257,753), represent 47 percent of total revenues. The remaining 3 percent is generated from investment earnings, charges for services, insurance proceeds, and miscellaneous revenues. The most significant changes were significant decrease in investment earnings.

The primary functional expenses of the District are instruction \$62,879,167, which represents 49 percent of total expenses and plant maintenance and operations \$15,684,150, which represents 13 percent of total expenses, while all remaining expense categories are individually 6 percent or less of total expenses. The decrease in functional expenses is primarily due to decreases in interest expense on long-term debt.

### **Financial Analysis of the Government's Funds**

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

**Governmental Funds.** At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$166,510,031, a decrease of \$30,702,162 from the preceding year, exclusive of the cumulative effect of change in accounting principle. Comments as to each individual major fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$26,946,567, while total fund balance was \$86,551,309. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29 percent of total general fund expenditures, while total fund balance represents 92 percent of that same total. The fund balance of the general fund increased \$16,847,604 during the year, primarily related to increase in property tax revenues and state revenue.

The debt service fund ended the year with a total fund balance of \$16,919,833, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$2,983,259 during the year, primarily due to the increase in property tax values.

The capital projects fund has a total fund balance of \$60,781,739, which is a decrease of \$51,221,137. The net decrease in fund balance during the current year in the capital projects fund was due to the increased construction expenditures using the prior year's proceeds from the sale of building bonds.

Governmental funds financial statements may be found by referring to the table of contents.

**Proprietary Funds.** The District's proprietary fund financial statements, reflect the District's internal service fund created for its self-funded workers' compensation program and provides information as to the profitability of that program. The net change in assets of the fund is eliminated and allocated to the governmental expenses in the government-wide financial statements.

### **General Fund Budgetary Highlights**

The District amends the budget as needed throughout the year. The final budgeted expenditures increased by \$11 million primarily due to increases in plant maintenance and operations, facilities acquisition and construction, extracurricular activities and instruction.

## Capital Assets and Long-term Liabilities

**Capital Assets.** The District's investment in capital assets for its governmental activities as of August 31, 2021 was \$260,854,446 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The increase in capital assets, net of depreciation, for the current fiscal year was \$47,120,341.

### Texas City Independent School District's Capital Assets (net of depreciation)

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 7,397,326	3	\$ 5,179,396	2	\$ 2,217,930	43
Buildings and improvements	146,150,267	56	150,800,615	71	(4,650,348)	(3)
Furniture and equipment	12,104,199	5	14,288,182	7	(2,183,983)	(15)
Construction in progress	95,202,654	36	43,465,912	20	51,736,742	119
<b>Totals</b>	<b>\$ 260,854,446</b>	<b>100</b>	<b>\$ 213,734,105</b>	<b>100</b>	<b>\$ 47,120,341</b>	

Major additions consisted of:

- Land purchase of \$2,217,930
- Various construction and improvement projects for Giles Middle School, Simms Elementary, Guajardo Elementary, and Hayley Elementary

Additional information on the District's capital assets can be found in the notes to the financial statements.

**Commitments.** At the end of the current fiscal year, the District's commitments with construction contractors totaled \$33,325,762.

**Long-term Liabilities.** At year-end, the District had the following long-term liabilities:

### Texas City Independent School District's Long-term Liabilities Outstanding

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds	\$ 208,303,219	77	\$ 221,955,206	76	\$ (13,651,987)	(6)
Notes payable	-	-	825,000	-	(825,000)	-
Workers' compensation	355,568	-	344,798	-	10,770	3
Compensated absences	1,275,904	-	1,230,580	-	45,324	4
Net pension liability	31,475,062	12	31,925,778	11	(450,716)	(1)
Net OPEB liability	29,259,184	11	37,504,239	13	(8,245,055)	(22)
<b>Totals</b>	<b>\$ 270,668,937</b>	<b>100</b>	<b>\$ 293,785,601</b>	<b>100</b>	<b>\$ (23,116,664)</b>	

The District's total bonded debt decreased by \$13,651,988 (6 percent) during the current fiscal year, which resulted from scheduled debt payments and the effects of the bond refunding.

State statutes do not limit the tax rate or amount of local tax support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt can be found in Note 3.E. in the notes to the financial statements as indicated in the table of contents.

Additional information on the District's net pension liability can be found in Note 4.C. in the notes to the financial statements as indicated in the table of contents.

Additional information on the District's OPEB liability can be found in Note 4.D. to the financial statements as indicated in the table of contents of this report.

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

- School year (2021-22) student enrollment is 7,821, a 3% decrease from the preceding year.
- District staff totals 1,207 employees in 2021-22, excluding substitutes and other part-time employees, of which 519 are teachers and 131 are teacher aides and secretaries.
- The District maintains thirteen regular education campuses.
- Property values of the District are projected to remain comparable for the 2021-22 year.
- A maintenance and operations tax rate of \$1.0134 and a debt service tax rate of \$0.3379, a total rate of \$1.3513 were adopted for 2021-22. Preceding year rates were \$1.0158, \$0.3449 and \$1.3607, respectively.

All of these factors and others were considered in preparing the District's budget for the 2021-22 fiscal year.

During 2020-21, fund balance in the general fund increased to \$86,551,309. The District plans to utilize unassigned fund balance to fund current period expenditures prior to collecting the current year tax levy.

### **Requests for Information**

This financial report is intended to provide a general overview of the District's finances for those with an interest in this information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Business Office at Texas City Independent School District, 1700 Ninth Avenue North, Texas City, Texas 77590.

**This Page Intentionally Left Blank**

## Basic Financial Statements





**Texas City Independent School District**  
**Statement of Net Position**  
**August 31, 2021**

**Exhibit A-1**

1

<b>Data Control Codes</b>		<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>		
1110	Cash and cash equivalents	\$ 44,389,724
1120	Investments	133,184,309
1220	Property taxes receivables	5,186,004
1230	Allowance for uncollectible taxes	(52,000)
1240	Due from other governments	2,775,055
1300	Inventories	286,741
1410	Prepaid items	1,446,297
	Capital assets:	
1510	Land	7,397,326
1520	Buildings and improvements (net)	146,150,267
1530	Furniture and equipment (net)	12,104,199
1580	Construction in progress	95,202,654
1000	Total assets	448,070,576
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1705	Deferred outflows - pension	15,002,335
1706	Deferred outflows - OPEB	3,926,783
1710	Deferred charge on refunding	2,278,503
1700	Total deferred outflows of resources	21,207,621
<b>LIABILITIES</b>		
2110	Accounts payable	8,705,454
2140	Interest payable	398,856
2150	Payroll deductions and withholdings	994,047
2160	Accrued wages payable	3,810,209
2180	Due to other governments	19,087
2300	Unearned revenue	59,361
	Noncurrent liabilities:	
2501	Due within one year	12,227,000
2502	Due in more than one year	197,707,691
2540	Net pension liability	31,475,062
2545	Net OPEB liability	29,259,184
2000	Total liabilities	284,655,951
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2605	Deferred inflows - pension	8,066,866
2606	Deferred inflows - OPEB	25,816,921
2610	Deferred gain on refunding	1,452,012
2600	Total deferred inflows of resources	35,335,799
<b>NET POSITION</b>		
3200	Net investment in capital assets	114,159,457
3820	Restricted for grants	1,038,663
3820	Restricted for scholarships	133,372
3850	Restricted for debt service	17,625,945
3900	Unrestricted	16,329,010
3000	<b>TOTAL NET POSITION</b>	<b>\$ 149,286,447</b>

The Notes to the Financial Statements are an integral part of this statement.

**Texas City Independent School District**  
**Statement of Activities**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit B-1**

Data Control Codes	Functions/Programs	1	3	4	5	Net (Expense) Revenue and Changes in Net Position
		Expenses	Program Revenues			Governmental Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	<b>PRIMARY GOVERNMENT</b>					
	Governmental activities					
0011	Instruction	\$ 62,879,167	\$ 203,496	\$ 14,116,842	\$ -	\$ (48,558,829)
0012	Instructional resources and media services	1,195,851	11,722	44,591	-	(1,139,538)
0013	Curriculum and instructional staff development	1,394,211	-	473,043	-	(921,168)
0021	Instructional leadership	1,964,015	-	973,165	-	(990,850)
0023	School leadership	6,200,261	111,186	557,172	-	(5,531,903)
0031	Guidance, counseling, and evaluation services	3,265,783	9,167	821,193	-	(2,435,423)
0032	Social work services	312,200	-	118,716	-	(193,484)
0033	Health services	965,273	548	137,911	-	(826,814)
0034	Student transportation	2,873,162	-	169,497	-	(2,703,665)
0035	Food services	5,228,229	116,041	4,320,299	-	(791,889)
0036	Extracurricular activities	3,627,889	291,627	117,599	-	(3,218,663)
0041	General administration	3,709,529	10,752	176,735	-	(3,522,042)
0051	Plant maintenance and operations	15,684,150	101,022	2,428,667	-	(13,154,461)
0052	Security and monitoring services	3,245,474	-	107,017	-	(3,138,457)
0053	Data processing services	3,177,338	1,995	76,714	-	(3,098,629)
0061	Community services	354,222	15,637	257,539	-	(81,046)
0072	Interest on long-term debt	6,947,062	-	3,775,246	-	(3,171,816)
0073	Issuance costs and fees	255,597	-	-	-	(255,597)
0081	Facilities repair and maintenance	-	-	2,726	-	2,726
0091	Contracted instructional services between schools	631,414	-	-	-	(631,414)
0093	Payments related to shared services arrangements	387,258	-	-	-	(387,258)
0099	Other intergovernmental charges	618,056	-	-	-	(618,056)
TG	Total governmental activities	124,916,141	873,193	28,674,672	-	(95,368,276)
TP	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 124,916,141</b>	<b>\$ 873,193</b>	<b>\$ 28,674,672</b>	<b>\$ -</b>	<b>(95,368,276)</b>
	General revenues					
MT	Property taxes, levied for general purposes					57,999,097
DT	Property taxes, levied for debt service					19,559,186
GC	Grants and contributions not restricted to specific programs					42,583,081
IN	Insurance proceeds					522,220
IE	Investment earnings					674,183
MI	Miscellaneous					3,149,878
TR	Total general revenues					124,487,645
CN	Change in net position					29,119,369
NB	Net position - beginning, as originally reported					120,031,692
PA	Cumulative effect of adoption of GASB 84					135,386
	Net position - beginning, as restated					120,167,078
NE	<b>NET POSITION - ENDING</b>					<b>\$ 149,286,447</b>

The Notes to the Financial Statements are an integral part of this statement.

# Texas City Independent School District

## Balance Sheet – Governmental Funds

August 31, 2021

		199	599
Data			
Control			
Codes		General Fund	Debt Service Fund
ASSETS			
1110	Cash and cash equivalents	\$ 42,864,239	\$ 727,769
1120	Investments	41,867,120	16,211,151
1220	Property taxes receivables	4,070,036	1,115,968
1230	Allowance for uncollectible taxes	(41,000)	(11,000)
1240	Due from other governments	1,753,209	-
1260	Due from other funds	4,963,665	-
1300	Inventories	188,350	-
1410	Prepaid items	1,446,297	-
1000	Total assets	97,111,916	18,043,888
1000a	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 97,111,916	\$ 18,043,888
LIABILITIES			
2110	Accounts payable	\$ 756,573	\$ -
2150	Payroll and withholdings	994,047	-
2160	Accrued wages payable	3,810,209	-
2170	Due to other funds	970,742	-
2180	Due to other governments	-	19,087
2300	Unearned revenue	-	-
2000	Total liabilities	6,531,571	19,087
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable revenue - property taxes	4,029,036	1,104,968
	Total deferred inflows of resources	4,029,036	1,104,968
FUND BALANCES			
3410	Nonspendable - inventories	188,350	-
3430	Nonspendable - prepaid items	1,446,297	-
3450	Restricted - grants	-	-
3470	Restricted - capital acquisitions and contractual obligations	-	-
3480	Restricted - debt service	-	16,919,833
3490	Restricted - scholarships	-	-
3545	Committed - campus activity	-	-
3550	Assigned - construction	30,000,000	-
3590	Assigned - other	27,970,095	-
3600	Unassigned	26,946,567	-
3000	Total fund balances	86,551,309	16,919,833
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
4000		\$ 97,111,916	\$ 18,043,888

The Notes to the Financial Statements are an integral part of this statement.

699		98
Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 354,981	\$ 442,083	\$ 44,389,072
71,711,979	1,960,534	131,750,784
-	-	5,186,004
-	-	(52,000)
-	1,021,846	2,775,055
-	416,132	5,379,797
-	98,391	286,741
-	-	1,446,297
<u>72,066,960</u>	<u>3,938,986</u>	<u>191,161,750</u>
<u>\$ 72,066,960</u>	<u>\$ 3,938,986</u>	<u>\$ 191,161,750</u>
\$ 7,643,213	\$ 300,818	\$ 8,700,604
-	-	994,047
-	-	3,810,209
3,642,008	1,321,657	5,934,407
-	-	19,087
-	59,361	59,361
<u>11,285,221</u>	<u>1,681,836</u>	<u>19,517,715</u>
-	-	5,134,004
-	-	5,134,004
-	98,391	286,741
-	-	1,446,297
-	1,038,663	1,038,663
60,781,739	-	60,781,739
-	-	16,919,833
-	133,372	133,372
-	986,724	986,724
-	-	30,000,000
-	-	27,970,095
-	-	26,946,567
<u>60,781,739</u>	<u>2,257,150</u>	<u>166,510,031</u>
<u>\$ 72,066,960</u>	<u>\$ 3,938,986</u>	<u>\$ 191,161,750</u>

**This Page Intentionally Left Blank**

**Texas City Independent School District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**August 31, 2021**

**Exhibit C-1R**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1)** **\$ 166,510,031**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

Governmental capital assets costs	\$ 374,265,244	
Accumulated depreciation of governmental capital assets	<u>(113,410,798)</u>	260,854,446

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds.		5,134,004
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Long-term liabilities, including bonds payable, notes payable, compensated absences, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (187,250,000)	
Premium on bonds payable	(21,053,219)	
Accrued interest on the bonds	(398,856)	
Compensated absences	(1,275,904)	
Net pension liability	(31,475,062)	
Net OPEB liability	<u>(29,259,184)</u>	(270,712,225)

An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		1,628,369
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the funds due to it is not a current financial resource available to pay for current expenditures.		2,278,503
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Deferred gain on refunding represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(1,452,012)
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-------------

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		15,002,335
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	------------

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(8,066,866)
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-------------

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		3,926,783
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		<u>(25,816,921)</u>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------------------

**TOTAL NET POSITON - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1)** **\$ 149,286,447**

**Texas City Independent School District**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended August 31, 2021**

		199	599
Data Control Codes		General Fund	Debt Service Fund
REVENUES			
5700	Local and intermediate sources	\$ 62,049,639	\$ 19,397,175
5800	State program revenues	44,889,586	3,775,246
5900	Federal program revenues	4,855,386	-
5020	Total revenues	111,794,611	23,172,421
EXPENDITURES			
Current:			
0011	Instruction	46,427,662	-
0012	Instructional resources and media services	1,096,356	-
0013	Curriculum and instructional staff development	843,962	-
0021	Instructional leadership	836,718	-
0023	School leadership	5,260,225	-
0031	Guidance, counseling, and evaluation services	2,250,462	-
0032	Social work services	172,715	-
0033	Health services	787,878	-
0034	Student transportation	2,630,228	-
0035	Food services	-	-
0036	Extracurricular activities	3,863,182	-
0041	General administration	3,470,650	-
0051	Plant maintenance and operations	15,662,815	-
0052	Security and monitoring services	2,659,941	-
0053	Data processing services	3,036,034	-
0061	Community services	52,042	-
Debt service:			
0071	Principal on long-term debt	825,000	11,325,000
0072	Interest on long-term debt	11,138	8,480,544
0073	Issuance costs and fees	1,200	242,403
Capital outlay:			
0081	Facilities acquisition and construction	2,301,071	-
Intergovernmental:			
0091	Contracted instructional services between schools	631,414	-
0093	Payments related shares services arrangements	387,258	-
0099	Other intergovernmental charges	618,056	-
6030	Total expenditures	93,826,007	20,047,947
1100	Excess (deficiency) of revenues over expenditures	17,968,604	3,124,474
OTHER FINANCING SOURCES (USES)			
7901	Refunding bonds issued	-	12,835,000
7912	Sale of real and personal property	36,100	-
7915	Transfers in	-	-
7916	Premium or discount on issuance of bonds	-	1,102,960
8911	Transfers out	(1,157,100)	-
8940	Payment to bond refunding escrow agent	-	(14,079,175)
7080	Total other financing sources (uses)	(1,121,000)	(141,215)
1200	Net change in fund balances	16,847,604	2,983,259
0100	Fund balances - beginning, as originally reported	69,703,705	13,936,574
	Cumulative effect of adoption of GASB 84	-	-
0100	Fund balances - beginning, as restated	69,703,705	13,936,574
3000	FUND BALANCES - ENDING	\$ 86,551,309	\$ 16,919,833

The Notes to the Financial Statements are an integral part of this statement.



699		98
Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 515,605	\$ 748,243	\$ 82,710,662
-	968,325	49,633,157
-	16,064,954	20,920,340
515,605	17,781,522	153,264,159
-	10,181,687	56,609,349
-	10,808	1,107,164
-	397,901	1,241,863
-	819,335	1,656,053
-	363,516	5,623,741
-	652,212	2,902,674
-	97,959	270,674
-	100,516	888,394
-	77,545	2,707,773
-	4,826,330	4,826,330
-	162,752	4,025,934
-	11,519	3,482,169
15,009	242,654	15,920,478
390,830	62,335	3,113,106
-	1,839	3,037,873
-	241,602	293,644
-	-	12,150,000
-	-	8,491,682
-	-	243,603
51,330,903	-	53,631,974
-	-	631,414
-	-	387,258
-	-	618,056
51,736,742	18,250,510	183,861,206
(51,221,137)	(468,988)	(30,597,047)
-	-	12,835,000
-	-	36,100
-	1,157,100	1,157,100
-	-	1,102,960
-	-	(1,157,100)
-	-	(14,079,175)
-	1,157,100	(105,115)
(51,221,137)	688,112	(30,702,162)
112,002,876	1,433,652	197,076,807
-	135,386	135,386
112,002,876	1,569,038	197,212,193
\$ 60,781,739	\$ 2,257,150	\$ 166,510,031

**Texas City Independent School District**  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended August 31, 2021

**Exhibit C-3**

**TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2)** **\$ (30,702,162)**

Amounts reported for governmental activities in the statement of activities 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.

Capital assets increased	\$ 54,986,195	
Depreciation expense	<u>(7,865,854)</u>	47,120,341

Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. 90,274

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Par value	\$ (12,835,000)	
(Premium) discount	<u>(1,102,960)</u>	(13,937,960)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 11,325,000

Payment to escrow agent to refund bonds from refunding proceeds from other sources 14,079,175

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 825,000

Interest on long-term debt in the statement of activities differs from the amount 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 (decrease) in interest reported in the statement of activities consist of the following:

Accrued interest on current interest bonds payable <i>(increased) decreased</i>	\$ 124,515	
Accrued interest on notes payable <i>(increased) decreased</i>	5,569	
Amortization of bond premium and discount	1,564,265	
Amortization of defeasance costs	<u>(161,723)</u>	1,532,626

The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. (45,324)

An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The net activity of the internal service fund was reported in the government-wide statements. 22,290

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (4,555,934)	
Deferred inflows (increased) decreased	1,287,727	
Net pension liability (increased) decreased	<u>450,716</u>	(2,817,491)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (585,379)	
Deferred inflows (increased) decreased	(6,032,076)	
Net OPEB liability (increased) decreased	<u>8,245,055</u>	1,627,600

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)** **\$ 29,119,369**

The Notes to the Financial Statements are an integral part of this statement.

**Texas City Independent School District**  
Statement of Net Position  
Proprietary Fund  
August 31, 2021

**Exhibit D-1**

<u>Data Control Codes</u>	<u>Governmental Activities Internal Service Fund</u>
<b>ASSETS</b>	
Current assets:	
1110 Cash and cash equivalents	\$ 652
1120 Investments	1,433,525
1260 Due from other funds	<u>554,610</u>
Total current assets	<u>1,988,787</u>
1000 Total assets	1,988,787
<b>LIABILITIES</b>	
Current liabilities:	
2110 Accounts payable	4,850
2123 Claims payable - due within one year	<u>230,000</u>
Total current liabilities	<u>234,850</u>
Noncurrent liabilities:	
2590 Claims payable - due in more than one year	<u>125,568</u>
Total noncurrent liabilities	<u>125,568</u>
2000 Total liabilities	360,418
<b>NET POSITION</b>	
3900 Unrestricted	<u>1,628,369</u>
3000 <b>TOTAL NET POSITION</b>	<u><u>\$ 1,628,369</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**Texas City Independent School District**  
Statement of Revenues, Expenses, and Changes  
in Net Position  
Proprietary Fund  
For the Fiscal Year Ended August 31, 2021

**Exhibit D-2**

<u>Data Control Codes</u>		<u>Governmental Activities Internal Service Fund</u>
	<b>OPERATING REVENUES</b>	
5754	Interfund service provided	\$ 343,598
5020	Total operating revenues	343,598
	<b>OPERATING EXPENSES</b>	
6200	Professional and contracted services	1,401
6400	Other operating costs	321,660
6030	Total operating expenses	323,061
1100	Operating income	20,537
	<b>NONOPERATING REVENUES</b>	
7955	Investment earnings	1,753
8030	Total nonoperating revenues	1,753
1300	Change in net position	22,290
0100	Net position - beginning	1,606,079
3300	<b>NET POSITION - ENDING</b>	<u>\$ 1,628,369</u>

The Notes to the Financial Statements are an integral part of this statement.

**Texas City Independent School District**  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended August 31, 2021

**Exhibit D-3**

	<b>Governmental Activities Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from District	\$ 20,538
Cash payments for claims, net of stop loss reimbursements	(307,533)
Cash payments for contracted services and supplies and materials	(1,401)
	<hr/>
Net cash used in operating activities	(288,396)
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends received on investments	1,753
Sale of investments	179,248
	<hr/>
Net cash provided by investing activities	181,001
	<hr/>
Net decrease in cash and cash equivalents	(107,395)
Cash and cash equivalents at beginning of year	108,047
	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><u>\$ 652</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating income	\$ 20,537
Change in assets and liabilities:	
(Increase) decrease in due from other funds	(323,060)
Increase (decrease) in accounts payable	3,357
Increase (decrease) in claims payable	10,770
	<hr/>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u><u>\$ (288,396)</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**Texas City Independent School District**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
August 31, 2021

**Exhibit E-1**

<u>Data Control Codes</u>		<u>865 Custodial Fund</u>  <u>Student Activity</u>
	<b>ASSETS</b>	
	Current assets:	
1110	Cash and cash equivalents	\$ 78,510
1120	Investments	<u>122,793</u>
	Total assets	201,303
	<b>LIABILITIES</b>	
	Current liabilities:	
2110	Accounts payable	<u>934</u>
	Total liabilities	934
	<b>NET POSITION</b>	
	Restricted for:	
	Student activities	<u>200,369</u>
3000	<b>TOTAL NET POSITION</b>	<u><u>\$ 200,369</u></u>

The Notes to the Financial Statements are an integral part of this statement.



**Texas City Independent School District**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended August 31, 2021

**Exhibit E-2**

<b>Data Control Codes</b>		<b>865 Custodial Fund</b>
		<b>Student Activity</b>
<b>ADDITIONS</b>		
5700	Student activities	\$ 284,726
	Total additions	284,726
<b>DEDUCTIONS</b>		
6200	Student activity fees	244,071
	Total deductions	244,071
	Change in net position	40,655
	Net position - beginning of year, as originally reported	-
	Cumulative effect of adoption of GASB 84	159,714
3700	Net position - beginning of year, as restated	159,714
<b>NET POSITION - END OF YEAR</b>		<b>\$ 200,369</b>

The Notes to the Financial Statements are an integral part of this statement.

**This Page Intentionally Left Blank**

## Texas City Independent School District

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

##### A. Description of Government-wide 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 primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities* normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

##### B. Reporting Entity

The Texas City Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public, elementary and secondary, education within the District. 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. The accompanying financial statements present the District.

##### C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and an internal service fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated in the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

##### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *capital projects fund* accounts for the acquisition, construction, and equipping the District's major capital facilities, other than those financed by proprietary funds.

## Texas City Independent School District

### Notes to the Financial Statements

Additionally, the District reports the following fund types:

The *internal service fund* accounts for workers' compensation claims and administrative expenses provided for other funds of the District on a cost reimbursement basis.

The *custodial fund* accounts for assets held by the District for student organizations. Contributions, student fees and fundraisers benefit the related organizations.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated.

#### E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available when collected and all other revenues within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pension liability, OPEB liability, compensated absences, and claims and judgments, are recorded only when payment is due.

## Texas City Independent School District

### Notes to the Financial Statements

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

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

#### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand and bank demand deposits with original maturities of three months or less from the date of acquisition.

##### **2. Investments**

Investments for the District, except for certificates of deposits and certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value. Certificates of deposit that are non-negotiable are reported at cost; whereas brokered certificates of deposit are reported at fair value.

##### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### **4. 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. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year.

As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

## Texas City Independent School District

### Notes to the Financial Statements

Land and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings and improvements	8-60
Furniture and equipment	5-20

#### **5. *Deferred Outflows/Inflows of Resources***

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net position/fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized as a reduction of the respective pension or OPEB liability in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.

#### **6. *Compensated Absences***

The District's policy permits employees to accumulate earned but unused local leave benefits. Payment for unused local leave days accumulated locally will be made upon separation from the District for employees employed fifteen or more years by the District. All local leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have met the District's or State's eligibility requirements.

#### **7. *Net Position Flow Assumption***

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## Texas City Independent School District

### Notes to the Financial Statements

#### **8. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. The general fund is the only fund that reports a positive unassigned fund balance.

#### **9. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has, by policy, authorized the superintendent or designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### **10. Pension**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension 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 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 Pension Plan 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.

## Texas City Independent School District

### Notes to the Financial Statements

#### **11. Other Postemployment Benefits**

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 postemployment 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.

#### **G. Revenues and Expenditures/Expenses**

##### **1. Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

##### **2. Property Taxes**

Property values are determined by the County Central Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

##### **3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are interfund services provided. Operating expenses for the internal service fund include payroll costs, professional and contracted services and other operating costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **H. Use of Estimates**

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

#### **I. Data Control Codes**

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



## Texas City Independent School District

### Notes to the Financial Statements

#### J. Implementation of New Accounting Standards

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2018; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 84 to reporting periods beginning after December 15, 2019, with earlier application encouraged. GASB 84 was implemented in the District's 2021 financial statements, resulting in a cumulative effect adjustment as of September 1, 2020 of \$135,386 to the beginning fund balance and net position in the governmental funds financial statements and government-wide financial statements and \$159,714 to the beginning net position of the fiduciary fund, respectively, due to reclassification of certain fiduciary activities to conform to the new standard. Restatement of prior periods was not performed as such restatement was not considered practicable.

#### K. Recent Accounting Pronouncements

GASB Statement No. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 will be implemented in the District's fiscal year 2022 financial statements and the impact has not yet been determined.

### Note 2. Stewardship, Compliance, and Accountability

#### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, *National School Breakfast/Lunch Program* special revenue fund, and debt service fund. All annual appropriations lapse at fiscal year-end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

## Texas City Independent School District

### Notes to the Financial Statements

#### B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

As of August 31, 2021, significant encumbrances included in governmental fund balances are as follows:

	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General fund	\$ -	\$ -	\$ 470,095
Capital projects fund	40,607,772		
Nonmajor funds	55,147	3,093	-
<b>Total encumbrances</b>	<b>\$ 40,662,919</b>	<b>\$ 3,093</b>	<b>\$ 470,095</b>

#### Note 3. Detailed Notes on All Funds

##### A. Deposits and Investments

###### Cash Deposits

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

###### Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in 1) Obligations of the United States or its agencies which are backed by the full faith and credit of the United States, obligations of the State of Texas or its agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized statistical rating organization (NRSRO) not less than A or its equivalent; 2) Certificates of deposit issued by a broker or depository located in Texas which is insured by the FDIC or purchased through a broker who has an office located in Texas; 3) Fully collateralized repurchase agreements secured by obligations of the United States or its agencies not to exceed 90 days to maturity from the date of purchase; 4) Securities lending program as permitted by Government Code 2256.0015; 5) Bankers acceptances with a stated maturity of 270 days or fewer which are eligible for collateral for borrowing from a Federal Reserve Bank; 6) Commercial paper if it has a stated maturity of 270 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; 7) No-load money market mutual funds which shall be registered with the Securities and Exchange Commission and have a dollar-weighted average stated maturity of 90 days or fewer; 8) No-load mutual funds which shall be registered with the Securities and Exchange Commission, have an average weighted maturity of less than two years, include investments that comply with the Public Funds Investment Act and are continuously rated not less than AAA by at least one NRSRO; 9) A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act; 10) Public funds investment pools which meet the requirements of the Public Funds Investment Act.

## Texas City Independent School District

### Notes to the Financial Statements

The District's investment balances and weighted average maturity of such investments are as follows:

	Governmental and Proprietary Funds	Fiduciary Funds	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investment measured at cost, not subject to level reporting:					
Certificates of deposit	\$ 35,575,724	\$ -	25%	214	Not rated***
Investment measured at amortized cost, not subject to level reporting:					
Investment pools:					
TexPool Prime	64,140,122	-	45%	54	AAAm*
TexPool	38,494,133	122,793	27%	31	AAAm*
Investments measured at fair value, not subject to level reporting:					
Money market fund	4,991,699	-	3%	43	AAAm*/Aaa-mf**
<b>Total value</b>	<b>\$ 143,201,678</b>	<b>\$ 122,793</b>	<b>100%</b>		
<b>Portfolio weighted average maturity</b>				<b>97</b>	

\*Standard & Poor's Rating

\*\*Moody's Rating

\*\*\*Certificates of deposit is collateralized and/or insured.

*Certificates of deposit* that are non-negotiable are reported at cost and are not subject to the fair value hierarchy reporting.

*Investment pools* are measured at amortized cost. Such investments are not subject to the fair value hierarchy reporting.

*Money market funds* are measured at fair value, i.e. the net asset value. Such investments are not subject to the fair value hierarchy reporting.

TexPool and TexPool Prime are duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Hermes, Inc. State Street Bank serves as the custodial bank. The TexPool portfolio consists of U.S. government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds. The TexPool Prime portfolio consists of U.S. government securities; collateralized repurchase and reverse repurchase agreements; money market mutual funds; commercial paper and certificates of deposit.

The TexPool investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transacts at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held that are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

## Texas City Independent School District

### Notes to the Financial Statements

#### Credit Risk

At year end, the District's investments were rated as noted in the table above. The District also invests in certificates of deposits which are insured or collateralized. The District invests in money market funds which consists primarily of cash and government agency securities.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days, and any other individual investment not to exceed three years from the time of purchase, unless specifically authorized by the Board of Trustees.

#### Concentration of Credit Risk

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

#### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2021, District's banks' balances were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

#### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. District policy requires investments to be in the District's name or held by the District's agent in the District's name. The District is not exposed to custodial risk due to the investments are in the District's name or held by the District's agent in the District's name.

#### B. Receivables

Tax revenues of the general and debt service fund are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$ 1,000
Change in uncollectibles related to debt service property taxes	<u>(2,000)</u>
<b>Total change in uncollectibles of the current fiscal year</b>	<b><u>\$ (1,000)</u></b>

Approximately 77% of the outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

A concentration of risk exists for local revenue sources since approximately 26% of the District's taxable property value is attributed to one taxpayer. Similarly, the District's ten largest taxpayers approximate 49% of the total taxable value of the District.

## Texas City Independent School District

### Notes to the Financial Statements

#### C. Interfund Receivables, Payables, and Transfers

##### *Receivables/Payables*

The composition of interfund balances as of August 31, 2021, is as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General fund	\$ 4,963,665	\$ (970,742)
Capital projects funds	-	(3,642,008)
Other governmental funds - nonmajor	416,132	(1,321,657)
Proprietary fund:		
Internal service fund	554,610	-
<b>Totals</b>	<b><u>\$ 5,934,407</u></b>	<b><u>\$ (5,934,407)</u></b>

Interfund balances consist of short-term lending/borrowing arrangements that generally result from payroll and other regularly occurring charges that are primarily paid by one fund and then charged back to the appropriate other fund. Balances owed by the general fund to the nonmajor governmental funds relate to grants funds received in the general fund that are due to the nonmajor governmental funds. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

##### *Transfers*

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The following is a summary of the District's interfund transfers for the fiscal year ended August 31, 2021.

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General fund	Child Nutrition fund	<u>\$ 1,157,100</u>
<b>Totals</b>		<b><u>\$ 1,157,100</u></b>

Transfer between general fund and child nutrition fund is to fund expenditures in excess of revenues.

**Texas City Independent School District**  
Notes to the Financial Statements

**D. Capital Assets**

Capital asset activity for the fiscal year ended August 31, 2021 was as follows:

	Beginning Balance	Additions	Retirements, Transfers, and Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,179,396	\$ 2,217,930	\$ -	\$ 7,397,326
Construction in progress	43,465,912	51,736,742	-	95,202,654
Total capital assets, not being depreciated	48,645,308	53,954,672	-	102,599,980
Capital assets, being depreciated:				
Buildings and improvements	240,353,295	114,590	-	240,467,885
Furniture and equipment	30,280,446	916,933	-	31,197,379
Total capital assets, being depreciated	270,633,741	1,031,523	-	271,665,264
Less accumulated depreciation for:				
Buildings and improvements	(89,552,680)	(4,764,938)	-	(94,317,618)
Furniture and equipment	(15,992,264)	(3,100,916)	-	(19,093,180)
Total accumulated depreciation	(105,544,944)	(7,865,854)	-	(113,410,798)
Total capital assets, being depreciated, net	165,088,797	(6,834,331)	-	158,254,466
<b>Governmental activities capital assets, net</b>	<b>\$ 213,734,105</b>	<b>\$ 47,120,341</b>	<b>\$ -</b>	<b>\$ 260,854,446</b>

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

Governmental activities:	
11 Instruction	\$ 4,907,666
12 Instructional resources and media services	99,505
13 Curriculum and instructional staff development	90,714
21 Instructional leadership	154,340
23 School leadership	527,058
31 Guidance, counseling, and evaluation services	253,549
32 Social work services	23,801
33 Health services	77,247
34 Student transportation	242,964
35 Food services	220,500
36 Extracurricular activities	187,609
41 General administration	253,881
51 Plant maintenance and operations	563,821
52 Security and monitoring services	123,064
53 Data processing services	116,604
61 Community services	23,531
<b>Total depreciation expense-governmental activities</b>	<b>\$ 7,865,854</b>

## Texas City Independent School District

### Notes to the Financial Statements

#### Construction Commitments

The District has active construction projects as of August 31, 2021. The projects include the construction and equipment of school facilities. At year end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
Guajardo Elementary	\$ 922,126
Hayley Elementary	746,579
Simms Elementary	824,933
Giles Middle School	30,832,124
<b>Total</b>	<b>\$ 33,325,762</b>

The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by tax revenues and local funds.

#### E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, note payable, workers' compensation, compensated absences, and net pension and net OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for workers' compensation claims are accounted for in the internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

#### Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended August 31, 2021, was as follows:

	Beginning Balance	Additions (Adjustments)	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 199,500,000	\$ 12,835,000	\$ (25,085,000)	\$ 187,250,000	\$ 11,880,000
Issuance premiums	22,455,206	1,102,960	(2,504,947)	21,053,219	-
Total bonds payable	221,955,206	13,937,960	(27,589,947)	208,303,219	11,880,000
Note payable	825,000	-	(825,000)	-	-
Workers' compensation	344,798	190,985	(180,215)	355,568	230,000
Compensated absences	1,230,580	188,895	(143,571)	1,275,904	117,000
Net pension liability	31,925,778	3,259,113	(3,709,829)	31,475,062	-
Net OPEB liability	37,504,239	1,487,990	(9,733,045)	29,259,184	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 293,785,601</b>	<b>\$ 19,064,943</b>	<b>\$ (42,181,607)</b>	<b>\$ 270,668,937</b>	<b>\$ 12,227,000</b>

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities of the internal service fund are included as part of the above totals for governmental activities.

# Texas City Independent School District

## Notes to the Financial Statements

### General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as current interest with various amounts of principal maturing each year or term bonds. Rates may be fixed or variable.

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

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Series 2011 REF	2.50-4.00%	8,845,000	8/15/2030	\$ 5,130,000	\$ -	\$ (5,130,000)	\$ -
Series 2011 REF(La Marque)	4.00-5.00%	19,410,000	2/15/2025	11,070,000	-	(11,070,000)	-
Series 2015 REF	2.00-5.00%	44,050,000	8/15/2030	35,370,000	-	(2,910,000)	32,460,000
Series 2017 REF	3.00-4.00%	8,900,000	8/15/2030	8,900,000	-	-	8,900,000
Series 2018 BLDG	3.50-5.00%	70,000,000	8/15/2048	63,750,000	-	(2,840,000)	60,910,000
Series 2019 BLDG & REF	3.125-5.00%	63,875,000	8/15/2049	61,915,000	-	(2,165,000)	59,750,000
Series 2020 REF	5.00%	13,365,000	8/15/2030	13,365,000	-	(970,000)	12,395,000
Series 2020A REF	2.00-4.00%	8,535,000	2/15/2025	-	8,535,000	-	8,535,000
Series 2021 REF	3.00%	4,300,000	2/15/2030	-	4,300,000	-	4,300,000
<b>Totals</b>				<u>\$ 199,500,000</u>	<u>\$ 12,835,000</u>	<u>\$ (25,085,000)</u>	<u>\$ 187,250,000</u>



# Texas City Independent School District

## Notes to the Financial Statements

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

Year Ending August 31,	Principal	Interest	Total Requirements
2022	\$ 11,880,000	\$ 7,952,948	\$ 19,832,948
2023	12,990,000	7,471,006	20,461,006
2024	13,505,000	6,913,056	20,418,056
2025	13,600,000	6,277,231	19,877,231
2026	11,870,000	5,673,206	17,543,206
2027	12,215,000	5,094,781	17,309,781
2028	12,550,000	4,513,405	17,063,405
2029	11,200,000	3,926,631	15,126,631
2030	11,570,000	3,502,107	15,072,107
2031	5,460,000	3,071,406	8,531,406
2032	4,860,000	2,798,406	7,658,406
2033	5,150,000	2,555,406	7,705,406
2034	5,340,000	2,335,906	7,675,906
2035	3,010,000	2,107,907	5,117,907
2036	3,125,000	1,987,506	5,112,506
2037	3,250,000	1,862,507	5,112,507
2038	3,375,000	1,732,505	5,107,505
2039	3,515,000	1,597,507	5,112,507
2040	3,655,000	1,469,557	5,124,557
2041	3,795,000	1,345,476	5,140,476
2042	3,940,000	1,213,182	5,153,182
2043	3,920,000	1,075,806	4,995,806
2044	4,075,000	928,850	5,003,850
2045	4,230,000	776,000	5,006,000
2046	4,405,000	606,800	5,011,800
2047	4,595,000	430,600	5,025,600
2048	4,770,000	246,800	5,016,800
2049	1,400,000	56,000	1,456,000
<b>Totals</b>	<b>\$ 187,250,000</b>	<b>\$ 79,522,498</b>	<b>\$ 266,772,498</b>

As of August 31, 2021, the District had no authorized but unissued bonds.

In prior and current fiscal years, the District defeased certain bonds through the issuance of new bonds and placed the proceeds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the liability for the defeased bonds are not included in the Districts basic financial statements. At August 31, 2021, the District had no outstanding defeased bonds.

In November 2020, the District issued \$8,535,000 of unlimited tax refunding bonds. The proceeds of the refunding bonds were used to legally defease \$9,065,000 of previously issued District bonds in order to lower its overall debt services requirements. The net carrying value of the old debt exceeded the reacquisition price by \$215,006. The amount is amortized over the life of the new debt. The refunding resulted in a debt service savings of \$928,266, a present value savings of \$918,022.

## Texas City Independent School District

### Notes to the Financial Statements

In April 2021, the District issued \$4,300,000 of unlimited tax refunding bonds. The proceeds of the refunding bonds were used to legally defease \$4,695,000 of previously issued District bonds in order to lower its overall debt services requirements. The net carrying value of the old debt was less than the reacquisition price by approximately \$11,000. The refunding resulted in a debt service savings of \$707,133, a present value savings of \$668,832.

#### Note Payable

In 2016, the District issued a maintenance tax note to provide funds for (i) acquiring school buses, (ii) purchasing personal property, (iii) making various capital improvements and renovations to existing District facilities, and (iv) payment of professional services including attorneys, financial advisors, other professionals and fiscal agents relating to the aforementioned projects. The maintenance tax note is secured by the proceeds of a continuing, direct annual ad valorem tax levied for maintenance purposes by the District.

The District also makes payments for a note with the State Energy Conservation Office which funded energy efficiency programs in the prior years.

The following is a summary of changes in the maintenance tax note and loan payable during the fiscal year:

Description	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2016 Maintenance Tax Note	1.15-1.35%	\$ 4,050,000	3/1/2021	\$ 825,000	\$ -	\$ (825,000)	\$ -
<b>Totals</b>				<u>\$ 825,000</u>	<u>\$ -</u>	<u>\$ (825,000)</u>	<u>\$ -</u>

#### F. Fund Balance

Other assigned fund balance includes the following assignments of funds:

General fund - catastrophic events	\$ 15,000,000
General fund - campus activity	2,500,000
General fund - property value lawsuits/settlements	10,000,000
General fund - purchases on order	<u>470,095</u>
<b>Total other assigned fund balance</b>	<u><u>\$ 27,970,095</u></u>

#### G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Capital Projects	Nonmajor Funds	Totals
Property taxes	\$ 57,261,170	\$ 19,344,339	\$ -	\$ -	\$ 76,605,509
Investment earnings	120,869	52,836	498,438	287	672,430
Food service	-	-	-	116,041	116,041
Extracurricular student activities	116,477	-	-	631,915	748,392
Foreign trade zone tax equivalency payment	2,988,780	-	-	-	2,988,780
Chapter 313 payments	862,500	-	-	-	862,500
Other	<u>699,843</u>	<u>-</u>	<u>17,167</u>	<u>-</u>	<u>717,010</u>
<b>Totals</b>	<u>\$ 62,049,639</u>	<u>\$ 19,397,175</u>	<u>\$ 515,605</u>	<u>\$ 748,243</u>	<u>\$ 82,710,662</u>

## **Texas City Independent School District**

### Notes to the Financial Statements

#### **Note 4. Other Information**

##### **A. Risk Management**

###### **Property/Liability**

The District is exposed to various risks of loss related to property/liability losses and tax-assessor bond for which the District carries commercial insurance. In addition, the District participates in the Texas Association of School Boards Risk Management Fund (Fund) for employees and official's legal liability and vehicle coverage. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its liability coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and may provide, through commercial companies, reinsurance contracts. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, there were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

###### **Health Care Coverage**

During the year ended August 31, 2021, employees of the District were covered by TRS-Active Care (the Plan) a statewide health coverage program for Texas public education employees, implemented by the Teacher Retirement System of Texas (TRS). The District paid premiums of \$241 per month, per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to the TRS. The legislature created the Plan for public school employee group health coverage in 2002-03, requiring all Districts with fewer than 500 employees to participate in the Plan.

###### **Workers' Compensation**

During the year ended August 31, 2021, employees of the Texas City Independent School District were provided workers' compensation benefits which were self-funded from accumulated assets provided directly by the District, the plan sponsor. The District is solely responsible for the cost of all claims, both reported and unreported. All claims were submitted, processed, and approved by a third party administrator acting as an agent for the District. The plan was documented by contractual agreement. The District was protected against unanticipated, catastrophic individual or aggregate loss by stop-loss coverage carried through Midwest Employers Casualty Company, which limited annual claims paid from the Plan for the fiscal year ended August 31, 2021, to \$350,000 per occurrence with a maximum level of indemnity of \$5,000,000.

Premiums are paid into the internal service fund by the other funds and are available to pay claims, claim reserves, and administrative costs of the program.

## Texas City Independent School District

### Notes to the Financial Statements

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from stop-loss or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$350,000 up to the statutory limits for any given claim. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past two fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2021	Year Ended 8/31/2020
Unpaid claims, beginning of fiscal year	\$ 344,798	\$ 498,359
Incurred claims, including provision (adjustment) for IBNR	190,985	113,620
Claim payments	(180,215)	(267,181)
<b>Unpaid claims, end of fiscal year</b>	<b>\$ 355,568</b>	<b>\$ 344,798</b>

#### B. Litigation and Contingencies

The District is a defendant in various lawsuits arising principally in the normal course of operations. In the opinion of the District's management, the potential losses, after insurance coverage, on all allegations, claims, and lawsuits will not have a material effect on the District's financial position, results of operations or liquidity.

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2021, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

#### C. Defined Benefit Pension Plan

##### Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and 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.

## Texas City Independent School District

### Notes to the Financial Statements

#### Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](http://www.trs.texas.gov/Pages/about_archive_cafr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### 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% (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 where 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 in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

#### Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, 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. 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.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2021	2020
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	7.5%
Employers (District)	7.5%	7.5%

The contribution amounts for the District's fiscal year 2021 are as follows:

District contributions	\$ 2,403,746
Member contributions	4,855,082
NECE on-behalf contributions (State)	3,182,606

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.

## Texas City Independent School District

### Notes to the Financial Statements

As the non-employer contributing entity, 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 the 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, local or non-educational and general funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two surcharges an employer is subject to:

- 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.
- Public education employer contribution – all public schools, charter schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

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

At August 31, 2021, the District reported a liability of \$31,475,062 for its proportionate share of the TRS's net pension liability. 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 are as follows:

District's proportionate share of the net pension liability	\$ 31,475,062
State's proportionate share of the net pension liability associated with the District	<u>39,734,373</u>
<b>Total</b>	<b><u>\$ 71,209,435</u></b>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2019 rolled forward to August 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the District's proportion of the collective net pension liability was 0.0587682% which was a decrease of 0.0026474% from its proportion measured as of August 31, 2019.

For the fiscal year ended August 31, 2021, the District recognized pension expense of \$10,000,400 and revenue of \$4,779,163 for support provided by the State.

## Texas City Independent School District

### Notes to the Financial Statements

At August 31, 2021, the District reported 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	\$ 57,471	\$ 878,385
Changes of assumptions	7,303,334	3,105,327
Difference between projected and actual earnings on pension plan investments	637,186	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	4,600,598	4,083,154
District contributions paid subsequent to the measurement date	2,403,746	-
<b>Totals</b>	<b>\$ 15,002,335</b>	<b>\$ 8,066,866</b>

\$2,403,746 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	
2022	\$ 1,515,450
2023	1,867,876
2024	1,596,494
2025	114,667
2026	(501,099)
Thereafter	(61,665)
<b>Totals</b>	<b>\$ 4,531,723</b>

## Texas City Independent School District

### Notes to the Financial Statements

#### Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate as of August 2020	2.33%. 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)	2119
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2018 and adopted in July 2018.



# Texas City Independent School District

## Notes to the Financial Statements

### Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these 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 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 arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation*	Long-term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	18.00%	3.90%	0.99%
Non-U.S. developed	13.00%	5.10%	0.92%
Emerging markets	9.00%	5.60%	0.83%
Private equity	14.00%	6.70%	1.41%
Stable value:			
Government bonds	16.00%	-0.70%	-0.05%
Stable value hedge funds	5.00%	1.90%	0.11%
Real return:			
Real estate	15.00%	4.60%	1.02%
Energy, natural resources and infrastructure	6.00%	6.00%	0.42%
Risk parity:			
Risk parity	8.00%	3.00%	0.30%
Asset allocation leverage:			
Cash	2.00%	-1.50%	-0.03%
Asset allocation leverage cash	-6.00%	-1.30%	0.08%
Inflation expectation			2.00%
Volatility drag***			-0.67%
<b>Total</b>	<b>100.00%</b>		<b>7.33%</b>

\* Target allocations are based on the FY 2020 policy model.

\*\* Capital market assumptions come from Aon Hewitt (as of 8/31/2020).

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

## Texas City Independent School District

### Notes to the Financial Statements

#### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 48,533,983	\$ 31,475,062	\$ 17,615,063

#### Change of Assumptions Since the Prior Measurement Date

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

#### Change of Benefit Terms Since the Prior Measurement Date

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

### D. Defined Other Postemployment Benefit Plan

#### Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. 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.

#### OPEB Plan Fiduciary Net Position

Detailed 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 [http://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](http://www.trs.texas.gov/Pages/about_archive_cafr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

## Texas City Independent School District

### Notes to the Financial Statements

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 Board of Trustees of TRS 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 premium rates for retirees are reflected in the following table:

TRS-Care Monthly Plan 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% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2021	2020
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

\*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2021 are as follows:

District contributions	\$ 580,488
Member contributions	409,948
NECE on-behalf contributions (State)	695,868

## Texas City Independent School District

### Notes to the Financial Statements

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$282,313, \$300,588, and \$234,071 in 2021, 2020, and 2019, respectively, for on-behalf payments for Medicare Part D.

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$2.2 million in fiscal year 2020.

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

At August 31, 2021, the District reported a liability of \$29,259,184 for its proportionate share of the TRS's net OPEB liability. 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 29,259,184
State's proportionate share of the net OPEB liability associated with the District	<u>39,317,329</u>
<b>Total</b>	<b><u>\$ 68,576,513</u></b>

The net OPEB liability was measured as of August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2019 rolled forward to August 31, 2020. 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, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.0769685% which was a decrease of 0.0023364% from its proportion measured as of August 31, 2019.

GASB 75 requires the District to record OPEB expense for the amount of the State's proportionate share of collective OPEB expense that is associated with the District, and record revenue in the same amount for the support provided by the State. For the measurement period ended August 31, 2020, the State's proportionate share of the collective OPEB expense was a negative expense of \$151,336,663 and the portion of that amount that is associated with the District is a negative expense of \$273,005. This amount is recorded as a negative revenue and negative expense for the year ended August 31, 2021.

For the year ended August 31, 2021, the District recognized total negative OPEB expense of \$1,320,117, which includes both the District's proportionate share of collective OPEB expense and the portion of the State's proportionate share of collective OPEB expense that is associated with the District, as described above.

## Texas City Independent School District

### Notes to the Financial Statements

At August 31, 2021, the District reported 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 experience	\$ 1,531,999	\$13,390,499
Changes of assumptions	1,804,683	8,034,723
Difference between projected and actual earnings on OPEB plan investments	9,508	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	105	4,391,699
District contributions paid subsequent to the measurement date	580,488	-
<b>Totals</b>	<b>\$ 3,926,783</b>	<b>\$25,816,921</b>

\$580,488 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending August 31,	
2022	\$ (3,648,897)
2023	(3,650,168)
2024	(3,650,895)
2025	(3,650,696)
2026	(2,869,171)
Thereafter	(5,000,799)
<b>Total</b>	<b>\$ (22,470,626)</b>

### Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2019. Update procedures were used to roll forward the total OPEB liability to August 31, 2020.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

Demographic Assumptions	Economic Assumptions
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note 4.C for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

## Texas City Independent School District

### Notes to the Financial Statements

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 % over a period of 13 years.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	2.33%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

#### Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability at August 31, 2020. This was a decrease of 0.3% in the discount rate since the August 31, 2019 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond 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".

#### Sensitivity Analysis of Rates

##### Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the net OPEB liability.

	1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
District's proportionate share of the net OPEB liability	\$ 35,110,954	\$ 29,259,184	\$ 24,637,125

## Texas City Independent School District

### Notes to the Financial Statements

#### Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 23,901,004	\$ 29,259,184	\$ 36,395,521

#### **Change of Assumptions Since the Prior Measurement Date**

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.
- The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

#### **Change of Benefit Terms Since the Prior Measurement Date**

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

#### **E. Nonmonetary Transactions**

During 2021, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$206,317. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$206,317 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

#### **F. Joint Venture-Shared Service Arrangement**

##### **Shared Service Arrangements:**

##### *Galveston County Transforming Lives Cooperative Program*

The District participates in a shared service arrangement for the Galveston County Transforming Lives Cooperative with other school districts. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The revenues and expenditures are disclosed in the financial statements of the fiscal agent, Dickinson I.S.D. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared service arrangement.

**This Page Intentionally Left Blank**



## Required Supplementary Information



**This Page Intentionally Left Blank**

**Texas City Independent School District**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit G-1**

Data Control Codes		1	2	3	Variance with
		Budgeted Amounts			Final Budget
		Original	Final	Actual	Positive (Negative)
REVENUES:					
5700	Local and intermediate sources	\$ 61,115,768	\$ 61,881,168	\$ 62,049,639	\$ 168,471
5800	State program revenues	44,134,424	44,127,968	44,889,586	761,618
5900	Federal program revenues	3,070,000	4,020,000	4,855,386	835,386
5020	Total revenues	108,320,192	110,029,136	111,794,611	1,765,475
EXPENDITURES:					
Current:					
0011	Instruction	47,430,983	48,530,966	46,427,662	2,103,304
0012	Instructional resources and media services	1,131,994	1,136,558	1,096,356	40,202
0013	Curriculum and instructional staff development	1,016,803	1,181,393	843,962	337,431
0021	Instructional leadership	746,514	1,061,936	836,718	225,218
0023	School leadership	5,342,181	5,578,616	5,260,225	318,391
0031	Guidance, counseling, and evaluation services	2,602,684	2,659,578	2,250,462	409,116
0032	Social work services	162,153	186,295	172,715	13,580
0033	Health services	946,991	941,291	787,878	153,413
0034	Student transportation	2,916,949	3,316,774	2,630,228	686,546
0036	Extracurricular activities	3,274,658	4,519,128	3,863,182	655,946
0041	General administration	3,629,205	4,076,190	3,470,650	605,540
0051	Plant maintenance and operations	15,115,905	19,375,360	15,662,815	3,712,545
0052	Security and monitoring services	3,668,258	3,697,652	2,659,941	1,037,711
0053	Data processing services	3,038,077	3,310,941	3,036,034	274,907
0061	Community services	52,003	81,735	52,042	29,693
Debt services:					
0071	Principal on long-term debt	815,000	825,000	825,000	-
0072	Interest on long-term debt	20,500	11,138	11,138	-
0073	Issuance costs and fees	-	1,200	1,200	-
Capital outlay:					
0081	Facilities acquisition and construction	71,154	2,608,700	2,301,071	307,629
Intergovernmental:					
0091	Contracted instructional services between schools	481,116	566,914	631,414	(64,500)
0093	Payments related shares services arrangements	400,000	466,000	387,258	78,742
0095	Payments to juvenile justice alternative education programs	55,000	55,000	-	55,000
0099	Other intergovernmental charges	672,810	672,810	618,056	54,754
6030	Total expenditures	93,590,938	104,861,175	93,826,007	11,035,168
1100	Excess (deficiency) of revenues over expenditures	14,729,254	5,167,961	17,968,604	12,800,643
OTHER FINANCING SOURCES (USES):					
7912	Sale of real and personal property	-	36,100	36,100	-
8911	Transfers out	5,000,000	5,000,000	(1,157,100)	(6,157,100)
7080	Total other financing sources (uses)	5,000,000	5,036,100	(1,121,000)	(6,157,100)
1200	Net change in fund balance	19,729,254	10,204,061	16,847,604	6,643,543
0100	Fund balance - beginning	69,703,705	69,703,705	69,703,705	-
3000	FUND BALANCE - ENDING	\$ 89,432,959	\$ 79,907,766	\$ 86,551,309	\$ 6,643,543

The Notes to the Required Supplementary Information are an integral part of this schedule.

# Texas City Independent School District

# Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Seven Fiscal Years\*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.0587682%	\$ 31,475,062	\$ 39,734,373	\$ 71,209,435	\$ 63,026,972	49.94%	75.54%
2020	0.0614157%	\$ 31,925,778	\$ 38,262,365	\$ 70,188,143	\$ 60,668,699	52.62%	75.24%
2019	0.0619939%	\$ 34,122,953	\$ 45,031,447	\$ 79,154,400	\$ 60,458,695	56.44%	73.74%
2018	0.0670813%	\$ 21,448,971	\$ 25,889,561	\$ 47,338,532	\$ 60,256,723	35.60%	82.17%
2017	0.0536378%	\$ 20,268,931	\$ 28,937,450	\$ 49,206,381	\$ 50,996,372	39.75%	78.00%
2016	0.0551546%	\$ 19,496,417	\$ 29,089,883	\$ 48,586,300	\$ 50,195,373	38.84%	78.43%
2015	0.0370889%	\$ 9,906,958	\$ 25,393,310	\$ 35,300,268	\$ 45,436,168	21.80%	83.25%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

**Texas City Independent School District**  
Schedule of the District's Contributions to the  
Teacher Retirement System of Texas Pension Plan  
For the Last Seven Fiscal Years\*

**Exhibit G-3**

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 2,403,746	\$ (2,403,746)	\$ -	\$ 63,068,555	3.81%
2020	\$ 2,424,798	\$ (2,424,798)	\$ -	\$ 63,026,972	3.85%
2019	\$ 2,117,225	\$ (2,117,225)	\$ -	\$ 60,668,699	3.49%
2018	\$ 2,087,351	\$ (2,087,351)	\$ -	\$ 60,458,695	3.45%
2017	\$ 2,198,532	\$ (2,198,532)	\$ -	\$ 60,256,723	3.65%
2016	\$ 1,702,088	\$ (1,702,088)	\$ -	\$ 50,996,372	3.34%
2015	\$ 1,633,154	\$ (1,633,154)	\$ -	\$ 50,195,373	3.25%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
Ten years of data is not available.

# Texas City Independent School District

## Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB  
Liability of a Cost-Sharing Multiple-Employer OPEB Plan  
Teacher Retirement System of Texas  
For the Last Four Fiscal Years\*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.0796850%	\$ 29,259,184	\$ 39,317,329	\$ 68,576,513	\$ 63,026,972	46.42%	4.99%
2020	0.0793049%	\$ 37,504,239	\$ 49,834,747	\$ 87,338,986	\$ 60,668,699	61.82%	2.66%
2019	0.0824790%	\$ 41,182,504	\$ 48,954,608	\$ 90,137,112	\$ 60,458,695	68.12%	1.57%
2018	0.0862308%	\$ 37,498,549	\$ 44,689,617	\$ 82,188,166	\$ 60,256,723	62.23%	0.91%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.  
Ten years of data is not available.

**Texas City Independent School District**  
Schedule of the District's Contributions to the  
Teacher Retirement System of Texas OPEB Plan  
For the Last Four Fiscal Years\*

**Exhibit G-5**

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 580,488	\$ (580,488)	\$ -	\$ 63,068,555	0.92%
2020	\$ 585,018	\$ (585,018)	\$ -	\$ 63,026,972	0.93%
2019	\$ 594,237	\$ (594,237)	\$ -	\$ 60,668,699	0.98%
2018	\$ 569,522	\$ (569,522)	\$ -	\$ 60,458,695	0.94%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
Ten years of data is not available.

**This Page Intentionally Left Blank**



# Texas City Independent School District

## Notes to the Required Supplementary Information

### Note 1. Budget

#### A. 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, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end.

#### B. Excess of Expenditures over Appropriations

For the fiscal year ended August 31, 2021, the District's expenditures in function 91, contracted instructional services between schools exceeded the budgeted amount by \$64,500.

### Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

#### Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

## **Texas City Independent School District**

### Notes to the Required Supplementary Information

#### **Changes in demographic and economic assumptions**

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

#### **Changes in benefit terms**

For measurement date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85<sup>th</sup> Texas Legislature.

#### **Other changes**

For measurement date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For measurement date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For measurement date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

## Supplementary Information



## **Texas City Independent School District**

### **Fund Descriptions**

#### **Nonmajor Governmental Funds – Special Revenue Funds**

August 31, 2021

##### Title IV, Part A, Subpart 1

Funds are used to increase the use of technology in order to improve the academic achievement and digital literacy of all students.

##### Head Start

Funds granted to promote school readiness by enhancing the social and cognitive development of low-income children.

##### ESSA Title X, Part C, Education for the Homeless Children and Youth

Funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

##### ESSA Title I, Part A, Improving Basic Programs

Supplemental funds to help low-performing schools provide opportunities for children to acquire skills needed to meet state student performance standards.

##### Title I, 1003 School Improvement

Funds granted to assist schools with high concentrations of students from low-income families to provide high-quality education.

##### IDEA, Part B, Formula

Funds granted to operate educational programs for children with disabilities.

##### IDEA, Part B, Preschool Grant

Funds granted for preschool children with disabilities.

##### National School Breakfast and Lunch Program

Program that provides federal reimbursement revenues originating from the United States Department of Agriculture.

##### Career and Technical – Basic Grant

Provides career and technical education to develop new and/or improve career and technical education programs for paid and unpaid employment.

##### ESSA, Title II, Part A, Teacher and Principal Training and Recruiting

Increase student academic achievement through increasing the number of qualified teachers, assistant principals and principals.

##### Title III, Part A, English Language Acquisition and Language Enhancement

Improve the education of limited English proficient children by assisting the children to learn English.

##### Title IV, Part B-21<sup>st</sup> Century Community Learning Centers

Funds granted to community learning centers to provide academic enrichment and other services to students and literacy-related educational services for their families.

##### Elementary and Secondary School Emergency Relief Funds I

The Elementary and Secondary School Emergency Relief (ESSER) I grant program is authorized in Title VIII, Division B, of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020.

Funds granted to assist school districts with responding to the ongoing Covid-19 pandemic.

## **Texas City Independent School District**

### **Fund Descriptions**

#### **Nonmajor Governmental Funds – Special Revenue Funds**

August 31, 2021

#### Instructional Continuity

Increase the capacity of a district to facilitate instructional continuity and distance, remote, and/or virtual learning for identified campuses that have been affected by campus closures due to COVID-19.

#### Elementary and Secondary School Emergency Relief Funds II

The ARP ESSER III grant program is authorized in the American Rescue Plan Act (ARP), signed into law in March 2021.

Funds granted to assist school districts with responding to the ongoing Covid-19 pandemic.

#### State Textbook Fund

State funds allotted to school districts to purchase instructional materials and technology-related equipment and services.

#### Other State Funded Grants

Accounts for state funded special revenue funds that have not been specified above.

#### Campus Activity

Proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.

#### Student Scholarship Fund

Funds managed on behalf of donors, to award student scholarships to Texas City ISD students

#### Heatherington Scholarship

Funds managed on behalf of the Heatherington scholarship committee, to issue scholarship payments to awarded Texas City ISD students.

#### Teacher Stipends

Funds awarded by the Texas Education Agency to teachers for attending specified training sessions.

**Texas City Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
Special Revenue Funds  
August 31, 2021

		204	205	206	211
<b>Data Control Codes</b>		<b>Title IV, Part A, Subpart 1</b>	<b>Head Start</b>	<b>ESSA, Title X, Part C - Education for the Homeless Children and Youth</b>	<b>ESSA Title I, Part A - Improving Basic Programs</b>
	<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	3,745
1240	Due from other governments	-	33,083	25,787	22,980
1260	Due from other funds	-	-	-	-
1300	Inventories	-	-	-	-
1000	<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 33,083</b>	<b>\$ 25,787</b>	<b>\$ 26,725</b>
	<b>LIABILITIES</b>				
2110	Accounts payable	\$ -	\$ 6,617	\$ -	\$ 26,725
2170	Due to other funds	-	26,466	25,787	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	-	33,083	25,787	26,725
	<b>FUND BALANCES</b>				
3410	Nonspendable - inventories	-	-	-	-
3450	Restricted - grants	-	-	-	-
3490	Restricted - scholarships	-	-	-	-
3545	Committed - campus activity	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 33,083</b>	<b>\$ 25,787</b>	<b>\$ 26,725</b>

214	224	225	240	244	255	263
Title I, 1003 School Improvement	IDEA - B Formula	IDEA - B Preschool Grant	National School Breakfast/Lunch Program	Career and Technical Basic Grant	ESSA Title II, Part A: Teacher & Principal Training & Recruiting	Title III, Part A, English Language Acquisition and Enhancement
\$ -	\$ -	\$ -	\$ 23,331	\$ -	\$ -	\$ -
-	-	-	484,348	-	-	-
35,525	39,230	-	254,985	-	213,053	383
-	-	-	416,132	-	-	-
-	-	-	98,391	-	-	-
<u>\$ 35,525</u>	<u>\$ 39,230</u>	<u>\$ -</u>	<u>\$ 1,277,187</u>	<u>\$ -</u>	<u>\$ 213,053</u>	<u>\$ 383</u>
\$ 8,725	\$ -	\$ -	\$ 107,928	\$ -	\$ 139,044	\$ -
26,800	39,230	-	34,749	-	74,009	383
-	-	-	-	-	-	-
35,525	39,230	-	142,677	-	213,053	383
-	-	-	98,391	-	-	-
-	-	-	1,036,119	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,134,510	-	-	-
<u>\$ 35,525</u>	<u>\$ 39,230</u>	<u>\$ -</u>	<u>\$ 1,277,187</u>	<u>\$ -</u>	<u>\$ 213,053</u>	<u>\$ 383</u>

Texas City Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
Special Revenue Funds - Continued  
August 31, 2021

		265	266	276	282
<u>Data Control Codes</u>		<u>Title IV, Part B - 21st Century Community Learning Centers</u>	<u>Elementary and Secondary School Emergency Relief Funds I</u>	<u>Instructional Continuity Grant</u>	<u>Elementary and Secondary School Emergency Relief Funds III</u>
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from other governments	214,330	-	21,000	161,490
1260	Due from other funds	-	-	-	-
1300	Inventories	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
1000	<b>TOTAL ASSETS</b>	<u>\$ 214,330</u>	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ 161,490</u>
<b>LIABILITIES</b>					
2110	Accounts payable	\$ 5,393	\$ -	\$ -	\$ 2,250
2170	Due to other funds	208,937	-	21,000	159,240
2300	Unearned revenue	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
2000	Total liabilities	214,330	-	21,000	161,490
<b>FUND BALANCES</b>					
3410	Nonspendable - inventories	-	-	-	-
3450	Restricted - grants	-	-	-	-
3490	Restricted - scholarships	-	-	-	-
3545	Committed - campus activity	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
3000	Total fund balances	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 214,330</u>	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ 161,490</u>



410

429

461

468

469

480

State Textbook Fund	Other State Funded Grants	Campus Activity Fund	Student Scholarship Fund	Heatherington Scholarship	Teacher Stipends	Total Nonmajor Funds (See Exhibit C-1)
\$ -	\$ -	\$ 227,069	\$ 93,490	\$ 39,882	\$ 58,311	\$ 442,083
707,600	1,050	763,791	-	-	-	1,960,534
-	-	-	-	-	-	1,021,846
-	-	-	-	-	-	416,132
-	-	-	-	-	-	98,391
<u>\$ 707,600</u>	<u>\$ 1,050</u>	<u>\$ 990,860</u>	<u>\$ 93,490</u>	<u>\$ 39,882</u>	<u>\$ 58,311</u>	<u>\$ 3,938,986</u>
\$ -	\$ -	\$ 4,136	\$ -	\$ -	\$ -	\$ 300,818
705,056	-	-	-	-	-	1,321,657
-	1,050	-	-	-	58,311	59,361
705,056	1,050	4,136	-	-	58,311	1,681,836
-	-	-	-	-	-	98,391
2,544	-	-	-	-	-	1,038,663
-	-	-	93,490	39,882	-	133,372
-	-	986,724	-	-	-	986,724
2,544	-	986,724	93,490	39,882	-	2,257,150
<u>\$ 707,600</u>	<u>\$ 1,050</u>	<u>\$ 990,860</u>	<u>\$ 93,490</u>	<u>\$ 39,882</u>	<u>\$ 58,311</u>	<u>\$ 3,938,986</u>

**Texas City Independent School District**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Special Revenue Funds  
For the Fiscal Year Ended August 31, 2021

		204	205	206	211
Data Control Codes				ESSA, Title X, Part C - Education for the Homeless Children and Youth	ESSA Title I, Part A - Improving Basic Programs
		Title IV, Part A, Subpart 1	Head Start		
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	152,329	1,407,585	74,670	2,926,941
5020	Total revenues	152,329	1,407,585	74,670	2,926,941
EXPENDITURES					
Current:					
0011	Instruction	152,329	1,058,793	47,611	2,814,848
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	74,574	-	5,480
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	88,765	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	10,640
0032	Social work services	-	-	1,986	95,973
0033	Health services	-	32,551	-	-
0034	Student transportation	-	-	25,073	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	10,380	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	142,522	-	-
6030	Total expenditures	152,329	1,407,585	74,670	2,926,941
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balances - beginning, as originally reported	-	-	-	-
	Cumulative effect of adoption of GASB 84	-	-	-	-
0100	Fund balances - beginning, as restated	-	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

214	224	225	240	244	255	263
Title I, 1003 School Improvement	IDEA - B Formula	IDEA - B Preschool Grant	National School Breakfast/Lunch Program	Career and Technical Basic Grant	ESSA Title II, Part A: Teacher & Principal Training & Recruiting	Title III, Part A, English Language Acquisition and Enhancement
\$ -	\$ -	\$ -	\$ 116,264	\$ -	\$ -	\$ -
-	-	-	93,020	-	-	-
35,525	1,904,900	77,342	4,098,104	133,116	503,873	59,354
35,525	1,904,900	77,342	4,307,388	133,116	503,873	59,354
35,525	1,347,917	77,342	-	133,116	268,803	59,354
-	-	-	-	-	-	-
-	1,670	-	-	-	235,070	-
-	-	-	-	-	-	-
-	67,756	-	-	-	-	-
-	487,557	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,826,330	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
35,525	1,904,900	77,342	4,826,330	133,116	503,873	59,354
-	-	-	(518,942)	-	-	-
-	-	-	1,157,100	-	-	-
-	-	-	1,157,100	-	-	-
-	-	-	638,158	-	-	-
-	-	-	496,352	-	-	-
-	-	-	-	-	-	-
-	-	-	496,352	-	-	-
\$ -	\$ -	\$ -	\$ 1,134,510	\$ -	\$ -	\$ -

**Texas City Independent School District**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Special Revenue Funds - Continued  
For the Fiscal Year Ended August 31, 2021

		265	266	276	282
Data Control Codes		Title IV, Part B - 21st Century Community Learning Centers	Elementary and Secondary School Emergency Relief Funds I	Instructional Continuity Grant	Elementary and Secondary School Emergency Relief Funds III
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	29,385	-	-
5900	Federal program revenues	2,224,278	2,284,447	21,000	161,490
5020	Total revenues	2,224,278	2,313,832	21,000	161,490
EXPENDITURES					
Current:					
0011	Instruction	1,193,619	1,815,772	21,000	125,132
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	76,307	-	4,800
0021	Instructional leadership	819,335	-	-	-
0023	School leadership	72,924	-	-	31,558
0031	Guidance, counseling, and evaluation services	-	145,563	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	67,460	-	-
0034	Student transportation	52,472	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	1,265	-	-	-
0041	General administration	-	1,606	-	-
0051	Plant maintenance and operations	-	155,169	-	-
0052	Security and monitoring services	-	51,955	-	-
0053	Data processing services	-	-	-	-
0061	Community services	84,663	-	-	-
6030	Total expenditures	2,224,278	2,313,832	21,000	161,490
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balances - beginning, as originally reported	-	-	-	-
	Cumulative effect of adoption of GASB 84	-	-	-	-
		-	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

410	429	461	468	469	480	
State Textbook Fund	Other State Funded Grants	Campus Activity Fund	Student Scholarship Fund	Heatherington Scholarship	Teacher Stipends	Total Nonmajor Funds (See Exhibit C-2)
\$ -	\$ -	\$ 631,915	\$ -	\$ 64	\$ -	\$ 748,243
845,789	-	131	-	-	-	968,325
-	-	-	-	-	-	16,064,954
845,789	-	632,046	-	64	-	17,781,522
843,245	-	185,203	2,078	-	-	10,181,687
-	-	10,808	-	-	-	10,808
-	-	-	-	-	-	397,901
-	-	-	-	-	-	819,335
-	-	102,513	-	-	-	363,516
-	-	8,452	-	-	-	652,212
-	-	-	-	-	-	97,959
-	-	505	-	-	-	100,516
-	-	-	-	-	-	77,545
-	-	-	-	-	-	4,826,330
-	-	161,487	-	-	-	162,752
-	-	9,913	-	-	-	11,519
-	-	87,485	-	-	-	242,654
-	-	-	-	-	-	62,335
-	-	1,839	-	-	-	1,839
-	-	14,417	-	-	-	241,602
843,245	-	582,622	2,078	-	-	18,250,510
2,544	-	49,424	(2,078)	64	-	(468,988)
-	-	-	-	-	-	1,157,100
-	-	-	-	-	-	1,157,100
2,544	-	49,424	(2,078)	64	-	688,112
-	-	937,300	-	-	-	1,433,652
-	-	-	95,568	39,818	-	135,386
-	-	937,300	95,568	39,818	-	1,569,038
\$ 2,544	\$ -	\$ 986,724	\$ 93,490	\$ 39,882	\$ -	\$ 2,257,150

**Texas City Independent School District**  
Schedule of Delinquent Taxes Receivable  
For The Fiscal Year Ended August 31, 2021

Year Ended August 31,	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2012 and prior years	\$	Various	\$	Various	\$	Various
2013		1.040000		0.229200		4,036,710,841
2014		1.040000		0.250900		3,737,856,457
2015		1.040000		0.221600		3,960,387,445
2016		1.040000		0.259800		5,032,695,549
2017		1.170000		0.270500		4,538,847,275
2018		1.170000		0.264900		4,618,250,749
2019		1.170000		0.344900		4,847,800,053
2020		1.068350		0.344900		5,226,178,595
2021		1.015800		0.344900		5,589,417,506

**1000 TOTALS**

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

Exhibit J-1

10 Beginning Balance 9/1/20	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/21
\$ 1,598,525	\$ -	\$ 52,205	\$ 12,549	\$ (14,487)	\$ 1,519,284
138,991	-	7,528	1,882	(934)	128,647
150,698	-	10,103	2,234	(944)	137,417
188,575	-	16,039	3,856	(923)	167,757
232,475	-	26,652	5,638	(960)	199,225
363,211	-	49,941	11,090	(6,118)	296,062
501,127	-	96,131	21,765	(9,274)	373,957
679,435	-	125,326	36,944	(45,183)	471,982
1,241,693	-	353,010	113,934	(124,905)	649,844
-	76,055,204	55,850,243	18,963,132	-	1,241,829
<u>\$ 5,094,730</u>	<u>\$ 76,055,204</u>	<u>\$ 56,587,178</u>	<u>\$ 19,173,024</u>	<u>\$ (203,728)</u>	<u>\$ 5,186,004</u>
		\$ -	\$ -		

**Texas City Independent School District**  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance – Budget and Actual  
National School Breakfast and Lunch Program  
For the Fiscal Year Ended August 31, 2021

**Exhibit J-2**

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 737,370	\$ 737,370	\$ 116,264	\$ (621,106)
5800	State program revenues	49,222	49,222	93,020	43,798
5900	Federal program revenues	5,351,253	5,351,253	4,098,104	(1,253,149)
5020	Total revenues	6,137,845	6,137,845	4,307,388	(1,830,457)
EXPENDITURES					
Current:					
0035	Food services	6,143,094	6,143,094	4,826,330	1,316,764
6030	Total expenditures	6,143,094	6,143,094	4,826,330	1,316,764
1100	Excess (deficiency) of revenues over (under) expenditures	(5,249)	(5,249)	(518,942)	(513,693)
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	1,157,100	1,157,100
7080	Total other financing sources (uses)	-	-	1,157,100	1,157,100
1200	Net change in fund balance	(5,249)	(5,249)	638,158	643,407
0100	Fund balance - beginning	496,352	496,352	496,352	-
3000	FUND BALANCE - ENDING	\$ 491,103	\$ 491,103	\$ 1,134,510	\$ 643,407



**Texas City Independent School District**  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance – Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended August 31, 2021

**Exhibit J-3**

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 19,817,840	\$ 19,843,340	\$ 19,397,175	\$ (446,165)
5800	State program revenues	3,793,155	3,751,250	3,775,246	23,996
5020	Total revenues	23,610,995	23,594,590	23,172,421	(422,169)
	EXPENDITURES				
	Debt service:				
0071	Principal on long-term debt	11,325,000	11,325,000	11,325,000	-
0072	Interest on long-term debt	8,480,544	8,480,544	8,480,544	-
0073	Issuance costs and fees	924,938	1,152,340	242,403	909,937
6030	Total expenditures	20,730,482	20,957,884	20,047,947	909,937
1100	Excess (deficiency) of revenues over expenditures	2,880,513	2,636,706	3,124,474	487,768
	OTHER FINANCING SOURCES (USES)				
7901	Refunding bonds issued	-	13,937,961	12,835,000	(1,102,961)
7916	Premium or discount on issuance of bonds	-	-	1,102,960	1,102,960
8940	Payment to bond refunding escrow agent	(2,880,513)	(14,079,175)	(14,079,175)	-
7080	Total other financing sources (uses)	(2,880,513)	(141,214)	(141,215)	(1)
1200	Net change in fund balance	-	2,495,492	2,983,259	487,767
0100	Fund balance - beginning	13,936,574	13,936,574	13,936,574	-
3000	FUND BALANCE - ENDING	\$ 13,936,574	\$ 16,432,066	\$ 16,919,833	\$ 487,767

**This Page Intentionally Left Blank**

## Statistical Section



**This Page Intentionally Left Blank**

**Statistical Section  
(Unaudited)**

This part of the Texas City Independent School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

	<u>Page</u>
Financial Trends – Tables 1-4	92
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity – Tables 5-8	105
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity – Tables 9-12	110
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information – Tables 13-15	116
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information – Tables 16-19	120
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

# Texas City Independent School District

## Net Position by Component

Last Ten Fiscal Years

(Unaudited)

	2021	2020	2019	2018
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 114,159,457	\$ 104,566,496	\$ 71,688,976	\$ 61,569,135
Restricted	18,797,980	14,799,676	13,857,492	11,844,117
Unrestricted	16,329,010	665,520	11,028,446	(9,809,877)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>\$ 149,286,447</b>	<b>\$ 120,031,692</b>	<b>\$ 96,574,914</b>	<b>\$ 63,603,375</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 114,159,457	\$ 104,566,496	\$ 71,688,976	\$ 61,569,135
Restricted	18,797,980	14,799,676	13,857,492	11,844,117
Unrestricted	16,329,010	665,520	11,028,446	(9,809,877)
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<b>\$ 149,286,447</b>	<b>\$ 120,031,692</b>	<b>\$ 96,574,914</b>	<b>\$ 63,603,375</b>

Source: District Financial Statements

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

Table 1

2017	*2016	2015	2014	2013	2012
\$ 58,631,773	\$ 49,106,180	\$ 38,809,563	\$ 35,086,929	\$ 32,623,097	\$ 26,908,586
4,344,224	4,206,406	1,763,202	3,000,157	5,688,788	5,610,170
32,035,403	24,889,222	27,182,579	40,340,773	38,072,671	43,788,668
<u>\$ 95,011,400</u>	<u>\$ 78,201,808</u>	<u>\$ 67,755,344</u>	<u>\$ 78,427,859</u>	<u>\$ 76,384,556</u>	<u>\$ 76,307,424</u>
\$ 58,631,773	\$ 49,106,180	\$ 38,809,563	\$ 35,086,929	\$ 32,623,097	\$ 26,908,586
4,344,224	4,206,406	1,763,202	3,000,157	5,688,788	5,610,170
32,035,403	24,889,222	27,182,579	40,340,773	38,072,671	43,788,668
<u>\$ 95,011,400</u>	<u>\$ 78,201,808</u>	<u>\$ 67,755,344</u>	<u>\$ 78,427,859</u>	<u>\$ 76,384,556</u>	<u>\$ 76,307,424</u>

**Texas City Independent School District**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018
<b>EXPENSES</b>				
Governmental Activities:				
Instruction	\$ 62,879,167	\$ 62,660,852	\$ 58,179,986	\$ 36,913,817
Instructional Resources and Media Services	1,195,851	1,263,119	1,059,670	926,865
Curriculum and Instructional Staff Development	1,394,211	1,652,079	1,339,276	762,153
Instructional Leadership	1,964,015	2,182,441	2,136,747	699,778
School Leadership	6,200,261	6,601,624	6,250,878	4,151,418
Guidance, Counseling, and Evaluation Services	3,265,783	3,689,742	3,279,718	1,847,454
Social Work Services	312,200	333,822	318,655	133,384
Health Services	965,273	1,051,097	975,255	768,230
Student Transportation	2,873,162	2,322,015	2,379,778	2,162,503
Food Services	5,228,229	5,354,694	5,957,279	4,288,526
Extracurricular Activities	3,627,889	3,674,629	3,921,361	2,947,404
General Administration	3,709,529	4,074,822	3,531,976	2,534,952
Plant Maintenance and Operations	15,684,150	16,094,151	16,244,796	29,434,173
Security and Monitoring Services	3,245,474	3,355,603	3,177,439	1,665,576
Data Processing Services	3,177,338	2,873,593	2,567,492	1,452,630
Community Services	354,222	356,541	350,142	79,566
Interest on Long-term Debt	6,947,062	7,987,463	7,094,068	4,575,676
Issuance Costs and Fees	255,597	215,315	696,371	572,797
Facilities Repair and Maintenance	-	74,621	70,621	739,269
Contracted Instructional Services between Schools	631,414	183,450	518,451	420,617
Payments Related to Shared Services Arrangements	387,258	329,659	292,075	324,958
Payments to Juvenile Justice Alternative Ed. Program	-	-	24,145	5,141
Other Intergovernmental Charges	618,056	616,127	488,798	575,532
Total Governmental Activities Expenses	124,916,141	126,947,459	120,854,977	97,982,419
<b>PROGRAM REVENUES</b>				
Governmental Activities:				
Charges for Services:				
Instruction	203,496	284,285	473,473	579,715
Instructional Resources and Media Services	11,722	54,919	60,053	53,756
Curriculum and Staff Development	-	-	-	-
Instructional Leadership	-	-	-	-
School Leadership	111,186	137,406	159,604	185,134
Guidance, Counseling, and Evaluation Services	9,167	7,351	18,576	24,210
Social Work Services	-	-	-	-
Health Services	548	2,072	2,908	4,421
Student Transportation	-	-	163	-
Food Services	116,041	391,494	607,094	587,781
Extracurricular Activities	291,627	302,738	424,059	432,559
General Administration	10,752	8,951	13,403	19,002
Plant Maintenance and Operations	101,022	14,638	19,122	29,371
Data Processing Services	1,995	63,439	2,357	27,629
Community Services	15,637	7,342	12,542	11,210
Operating Grants and Contributions	28,674,672	25,471,754	30,773,503	9,786,588
Total Governmental Program Revenue	29,547,865	26,746,389	32,566,857	11,741,376
<b>NET (EXPENSE)/REVENUE</b>				
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>(95,368,276)</b>	<b>(100,201,070)</b>	<b>(88,288,120)</b>	<b>(86,241,043)</b>



Table 2

2017	*2016	2015	2014	2013	2012
\$ 59,398,348	\$ 51,265,619	\$ 34,372,414	\$ 32,812,884	\$ 31,899,222	\$ 36,324,695
1,198,268	877,756	953,849	827,369	860,368	892,216
1,374,383	1,446,896	780,393	705,131	710,048	667,998
1,331,008	1,155,688	450,987	416,039	438,690	448,390
6,435,345	5,605,747	3,501,560	3,183,162	3,035,380	3,009,107
2,973,568	2,360,425	1,745,148	1,761,460	1,729,554	1,602,501
203,084	190,989	141,692	132,534	133,551	133,072
875,213	833,550	514,789	497,296	495,023	466,040
1,993,792	2,491,345	1,119,563	1,183,655	1,262,721	1,111,231
5,324,713	6,158,301	4,700,625	4,624,853	3,659,785	3,064,831
3,805,010	3,276,875	2,208,518	2,068,490	2,099,533	2,009,534
3,346,360	4,745,879	2,449,625	2,375,808	4,768,252	2,242,854
14,284,071	14,273,355	8,427,619	8,689,804	8,679,420	8,427,310
1,442,927	1,505,726	637,390	704,560	619,225	615,585
5,067,240	4,182,098	1,382,793	1,232,328	1,306,961	465,495
215,335	305,885	165,754	189,668	83,597	104,759
4,044,753	5,036,359	4,014,593	4,581,245	4,731,674	5,053,884
149,365	85,019	520,916	100,488	-	-
-	60,515	168,145	4,193,179	94,424	70,939
1,651,986	1,382,460	13,771	-	3,047,591	5,292,439
367,278	299,151	206,349	125,218	92,979	106,553
-	638	7,219	22,959	91,821	88,680
608,743	591,437	415,370	427,376	382,770	313,524
116,090,790	108,131,713	68,899,082	70,855,506	70,222,589	72,511,637
794,105	1,134,168	500,046	474,780	370,668	373,655
84,563	1,424,274	918,577	1,009,658	899,303	870,256
-	2,917,266	3,447,917	5,085,345	4,237,148	206,067
-	38,453	117,328	50,317	67,598	64,384
247,810	-	-	79,069	73,743	46,825
24,731	-	-	-	-	-
-	38,453	211,190	28,753	30,726	23,412
-	-	23,465	-	-	-
-	-	-	-	-	-
859,564	-	-	-	-	-
596,474	-	-	-	-	-
8,445	12,818	11,733	28,753	36,871	11,706
10,854	14,473	41,935	35,131	79,457	42,835
-	-	-	-	-	-
21,828	89,722	11,733	-	-	-
18,866,592	18,024,577	9,551,776	9,466,104	8,743,004	9,623,491
21,514,966	23,694,204	14,835,700	16,257,910	14,538,518	11,262,631
(94,575,824)	(84,437,509)	(54,063,382)	(54,597,596)	(55,684,071)	(61,249,006)

**Texas City Independent School District**  
**Changes in Net Position - Continued**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 57,999,097	\$ 56,851,567	\$ 56,856,071	\$ 54,530,148
Property Taxes, Levied for Debt Service	19,559,186	17,999,757	16,849,910	12,301,767
State Aid - Formula Grants - Unrestricted	-	-	-	-
Grants and Contributions Not Restricted to Specific Prog.	42,583,081	41,787,176	37,729,200	36,975,626
Insurance Proceeds	522,220	687	2,425,716	13,463,505
Investment Earnings	674,183	3,415,551	4,599,911	1,204,261
Miscellaneous	3,149,878	3,603,110	2,798,851	2,111,190
Transfers	-	-	-	-
	<u>124,487,645</u>	<u>123,657,848</u>	<u>121,259,659</u>	<u>120,586,497</u>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	<u>\$ 29,119,369</u>	<u>\$ 23,456,778</u>	<u>\$ 32,971,539</u>	<u>\$ 34,345,454</u>

Source: District Financial Statements

\*Note: La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

**Table 2**  
(Page 2 of 2)

2017	*2016	2015	2014	2013	2012
\$ 48,622,375	\$ 57,382,291	\$ 41,334,748	\$ 39,020,109	\$ 41,923,574	\$ 39,677,606
11,223,828	11,973,611	8,819,711	9,406,382	9,262,749	9,739,963
-	13,896,853	5,331,891	8,182,647	5,579,357	6,638,739
49,188,234	-	-	-	-	-
-	159,880	58,374	22,063	83,896	99,218
359,370	78,408	69,778	9,698	6,728	4,639,527
1,991,609	-	-	-	-	-
-	-	-	-	-	-
111,385,416	83,176,547	55,614,502	56,640,899	56,856,304	60,795,053
\$ 16,809,592	\$ (1,260,962)	\$ 1,551,120	\$ 2,043,303	\$ 1,172,233	\$ (453,953)

**Texas City Independent School District**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>GENERAL FUND</b>				
Nonspendable:				
Inventories	\$ 188,350	\$ 226,354	\$ 229,614	\$ 210,359
Prepaid Items	1,446,297	1,273,992	1,208,688	1,236,207
Assigned:				
Construction	30,000,000	10,000,000	15,000,000	10,000,000
Retirement of Loans/Notes Payable		-	1,671,648	2,538,916
Other	27,970,095	28,140,433	17,531,512	15,970,245
Unassigned	26,946,567	30,062,926	40,301,493	21,889,443
<b>TOTAL GENERAL FUND</b>	<b><u>\$ 86,551,309</u></b>	<b><u>\$ 69,703,705</u></b>	<b><u>\$ 75,942,955</u></b>	<b><u>\$ 51,845,170</u></b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable:				
Inventories	\$ 98,391	\$ -	\$ -	\$ -
Prepaid Items	-	414,952	-	-
Restricted:				
Grants	1,038,663	496,352	996,950	1,025,266
Capital Acquisitions and Contractual Obligations	60,781,739	86,587,924	123,515,144	73,901,218
Debt Service	16,919,883	13,936,574	12,989,994	10,835,688
Scholarships	133,372	-	-	-
Committed:				
Campus Activity	986,724	937,300	946,558	-
Other	-	-	-	974,477
Assigned:				
Construction	-	25,000,000	-	-
Unassigned	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b><u>\$ 79,958,772</u></b>	<b><u>\$ 127,373,102</u></b>	<b><u>\$ 138,448,646</u></b>	<b><u>\$ 86,736,649</u></b>

Source: District Financial Statements

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

Table 3

2017	*2016	2015	2014	2013	2012
\$ 202,886	\$ 172,247	\$ 114,326	\$ 133,453	\$ 135,657	\$ 217,269
868,359	832,114	693,468	1,639,968	1,431,284	1,527,895
4,189,731	-	-	-	-	-
4,289,420	-	-	-	-	-
8,207,225	17,752,636	17,000,000	21,154,873	21,154,873	31,055,493
21,314,248	12,769,527	13,858,461	12,017,520	10,658,955	1,733,001
<b>\$ 39,071,869</b>	<b>\$ 31,526,524</b>	<b>\$ 31,666,255</b>	<b>\$ 34,945,814</b>	<b>\$ 33,380,769</b>	<b>\$ 34,533,658</b>
\$ -	\$ 23,731	\$ 39,296	\$ 24,570	\$ 37,704	\$ 42,050
-	-	-	87,837	24,050	-
1,061,403	889,337	10,005	568,980	1,600,146	1,473,482
268,772	1,235,367	-	259,053	16,511,158	-
2,793,780	3,435,853	1,715,353	2,426,378	2,766,330	3,748,692
-	-	-	-	-	-
-	-	-	-	-	27,670,940
994,560	799,986	448,157	384,238	366,003	398,526
-	-	-	-	-	-
-	-	-	-	(30,446)	-
<b>\$ 5,118,515</b>	<b>\$ 6,384,274</b>	<b>\$ 2,212,811</b>	<b>\$ 3,751,056</b>	<b>\$ 21,274,945</b>	<b>\$ 33,333,690</b>

**Texas City Independent School District**  
**Changes In Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018
<b>REVENUES</b>				
Local and Intermediate Sources	\$ 82,710,662	\$ 83,239,668	\$ 85,281,066	\$ 85,803,702
State Program Revenues	49,633,157	48,823,740	44,250,990	46,707,028
Federal Program Revenues	20,920,340	15,004,956	21,286,836	16,467,329
Total Revenues	153,264,159	147,068,364	150,818,892	148,978,059
<b>EXPENDITURES</b>				
Current:				
Instruction	56,609,349	53,212,647	50,366,396	50,881,978
Instructional Resources and Media Services	1,107,164	1,119,955	956,380	1,119,221
Curriculum and Instructional Staff Development	1,241,863	1,327,271	1,157,323	1,076,284
Instructional Leadership	1,656,053	1,649,535	1,662,146	1,234,826
School Leadership	5,623,741	5,569,226	5,398,254	5,819,110
Guidance, Counseling, and Evaluation Services	2,902,674	3,074,999	2,821,486	2,533,901
Social Work Services	270,674	265,499	260,960	215,549
Health Services	888,394	925,182	856,005	942,009
Student Transportation	2,707,773	2,715,712	2,216,328	2,707,508
Food Services	4,826,330	4,643,169	5,257,694	5,255,046
Extracurricular Activities	4,025,934	3,420,758	3,685,547	3,487,464
General Administration	3,482,169	3,574,800	3,158,743	3,199,220
Plant Maintenance and Operations	15,920,478	18,721,072	19,185,279	30,617,789
Security and Monitoring Services	3,113,106	3,269,106	8,685,550	2,203,331
Data Processing Services	3,037,873	2,645,112	4,562,764	2,555,477
Community Services	293,644	255,647	269,641	165,941
Debt Service:				
Principal on Long-term Debt	12,150,000	11,900,000	12,007,939	8,429,288
Interest on Long-term Debt	8,491,682	9,547,644	7,530,429	4,595,547
Issuance Costs and Fees	243,603	654,496	696,371	572,797
Capital Outlay:				
Facilities Acquisition and Construction	53,631,974	34,973,553	4,955,768	741,937
Intergovernmental:				
Contracted Instructional Services Between Schools	631,414	183,450	518,451	420,617
Payments Related Shares Services Arrangements	387,258	329,659	292,075	324,958
Payments to Juvenile Justice Alternative Ed. Program	-	-	24,145	5,141
Other Intergovernmental Charges	618,056	616,127	488,798	575,532
Total Expenditures	183,861,206	164,594,619	137,014,472	129,680,471
Excess (Deficiency) of Revenues Over Expenditures				
	(30,597,047)	(17,526,255)	13,804,420	19,297,588

Table 4

2017		*2016		2015		2014		2013		2012	
\$	70,481,114	\$	75,154,398	\$	55,664,967	\$	55,266,675	\$	57,205,505	\$	55,726,053
	51,975,828		17,284,402		7,915,057		10,574,663		7,732,322		9,110,281
	15,633,987		12,858,824		7,037,249		7,074,088		6,513,988		7,151,949
	138,090,929		105,297,624		70,617,273		72,915,426		71,451,815		71,988,283
	54,361,083		46,164,653		32,508,249		30,587,906		29,073,880		27,782,644
	1,124,867		798,825		818,486		719,933		719,306		721,610
	1,295,995		1,356,947		779,151		684,878		686,354		645,933
	1,166,461		1,094,404		442,565		404,039		423,768		433,831
	5,859,085		5,178,526		3,376,828		3,030,928		2,860,363		2,834,215
	2,718,525		2,160,204		1,726,930		1,726,808		1,682,423		1,559,821
	180,554		175,462		146,179		130,191		130,330		130,082
	810,862		775,799		500,211		476,041		468,688		442,366
	2,981,532		4,663,908		1,124,848		1,190,471		1,242,577		1,383,238
	4,957,110		5,972,075		4,661,504		5,131,737		3,504,392		2,841,195
	3,676,392		3,276,197		1,934,367		1,870,166		1,589,514		1,795,227
	3,147,482		4,407,704		2,398,621		2,325,309		2,217,327		2,149,761
	14,242,758		13,790,304		8,318,733		8,568,503		8,491,536		8,314,413
	1,399,143		1,682,661		676,372		694,109		633,208		602,329
	5,009,008		5,375,451		1,364,738		1,197,310		1,278,142		1,073,935
	188,679		280,983		163,871		179,238		74,316		93,305
	8,129,759		6,767,953		5,200,000		4,785,000		4,635,000		3,782,416
	4,902,870		5,514,049		4,334,880		4,960,700		5,111,100		5,346,858
	149,365		85,019		5,220,916		2,748		2,500		2,500
	6,857,626		4,265,598		4,462,429		16,269,212		14,602,170		10,307,831
	1,651,986		1,382,460		13,770		4,193,179		3,047,591		5,292,439
	367,278		299,151		206,349		125,218		92,979		106,553
	-		638		7,219		22,959		91,821		88,680
	608,743		591,437		415,370		427,376		382,770		313,524
	125,787,163		116,060,408		80,802,586		89,703,959		83,042,055		78,044,706
	12,303,766		(10,762,784)		(10,185,313)		(16,788,533)		(11,590,240)		(6,056,423)

**Texas City Independent School District**  
**Changes In Fund Balances - Continued**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding Bonds Issued	\$ 12,835,000	\$ 13,365,000	\$ 2,300,000	\$ -
Issuance of Capital Related Debt (Regular Bonds)	-	-	61,575,000	70,000,000
Premium/Discount from Issuance of Bonds	1,102,960	3,119,905	9,867,817	5,093,847
Refund of Prior Years Chapter 41 Recapture	-	-	-	-
Non-current Loan Proceeds	-	-	-	-
Other Sources (Uses)	-	-	-	-
Transfers In	1,157,100	25,000,000	-	-
Insurance Recovery	-	-	-	-
Transfers Out	(1,157,100)	(25,000,000)	-	-
Court Ordered Tax Refunds	-	-	-	-
Payment to Refunded Bond Escrow Agent	(14,079,175)	(16,273,444)	(11,737,455)	-
	<u>(105,115)</u>	<u>211,461</u>	<u>62,005,362</u>	<u>75,093,847</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (30,702,162)</u>	<u>\$ (17,314,794)</u>	<u>\$ 75,809,782</u>	<u>\$ 94,391,435</u>
Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures	16.02%	17.10%	16.23%	10.16%

Source: District Financial Statements

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.



**Table 4**  
(Page 2 of 2)

2017	*2016	2015	2014	2013	2012
\$ 8,900,000	\$ -	\$ 44,050,000	\$ -	\$ -	\$ -
-	-	-	-	-	-
977,790	-	5,192,183	-	-	-
-	-	-	-	-	-
-	4,050,000	-	-	-	-
-	-	-	-	-	20,000
211,027	1,193,593	2,333,047	1,329,689	4,729,689	2,500,000
-	-	-	-	1,975	6,853
(211,027)	-	(1,003,358)	(500,000)	(3,900,000)	(4,500,000)
(6,051,031)	-	-	-	(2,453,058)	-
(9,850,939)	-	(48,723,494)	-	-	-
(6,024,180)	5,243,593	1,848,378	829,689	(1,621,394)	(1,973,147)
<u>\$ 6,279,586</u>	<u>\$ (5,519,191)</u>	<u>\$ (8,336,935)</u>	<u>\$ (15,958,844)</u>	<u>\$ (13,211,634)</u>	<u>\$ (8,029,570)</u>
11.09%	11.53%	12.49%	13.41%	14.28%	13.69%

**This Page Intentionally Left Blank**

**Texas City Independent School District**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)

**Table 5**

Fiscal Year Ended August 31,	Appraised Value			Taxable Assessed Value	Total Direct Rate (1)
	Real Property Value	Personal Property Value	Less Exemptions		
2021	\$ 6,672,649,118	\$ 1,189,331,288	\$ 2,272,562,900	\$ 5,589,417,506	1.3607
2020	5,576,622,366	1,417,130,126	1,767,573,897	5,226,178,595	1.4133
2019	5,037,530,356	1,412,962,516	1,602,692,819	4,847,800,053	1.5149
2018	4,962,337,551	1,260,289,165	1,604,375,967	4,618,250,749	1.4349
2017	5,010,779,437	1,053,310,301	1,525,242,463	4,538,847,275	1.4405
*2016	4,902,090,794	1,346,149,654	1,215,544,899	5,032,695,549	1.4298
2015	3,334,238,392	1,411,079,952	784,930,899	3,960,387,445	1.2616
2014	3,440,101,708	1,584,456,378	1,286,701,629	3,737,856,457	1.2909
2013	4,093,821,064	1,544,720,330	1,601,830,553	4,036,710,841	1.2692
2012	3,834,307,426	1,384,667,067	1,452,973,103	3,766,001,390	1.2953

Source: Galveston Central Appraisal District

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

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

## Texas City Independent School District

Property Tax Rates – Direct and Overlapping Governments

(Per \$100 of Assessed Value)

Last Ten Fiscal Years

(Unaudited)

Taxing Authority	2021	2020	2019	2018
<b>OVERLAPPING RATES</b>				
Bayou Vista, City of	\$ 0.37810	\$ 0.38500	\$ 0.38500	\$ 0.38500
College of the Mainland	0.24196	0.20425	0.21276	0.21679
Galveston County	0.46513	0.51614	0.53190	0.55190
Galveston FWSD #6	0.19675	0.20353	0.21535	0.21579
Galveston Co MUD #12	0.21324	0.22305	0.23951	0.23951
Galveston Co MUD #52	1.44000	1.47000	1.50000	1.50000
Galveston Co MUD #66	0.96500	0.98060	1.00000	1.00000
La Marque, City of	0.55076	0.55076	0.49076	0.49076
Texas City, City of	0.51000	0.54000	0.55000	0.57718
Tiki Island, Village of	0.31915	0.31915	0.31915	0.31915
Total Overlapping Rates	5.28009	5.39248	5.44443	5.49609
<b>DISTRICT DIRECT RATES</b>				
Texas City ISD				
Maintenance and Operations	\$ 1.01580	\$ 1.06840	\$ 1.17000	\$ 1.17000
Debt Service	0.34490	0.34490	0.34490	0.26490
<b>TOTAL DISTRICT DIRECT RATES</b>	<b>\$ 1.36070</b>	<b>\$ 1.41330</b>	<b>\$ 1.51490</b>	<b>\$ 1.43490</b>

Source: Galveston Central Appraisal District

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

Table 6

2017		*2016		2015	2014	2013	2012
\$	0.38500	\$	0.35500	N/A	N/A	N/A	N/A
	0.20838		0.20231	N/A	N/A	N/A	N/A
	0.55200		0.56700	0.58480	0.58980	0.60877	0.62180
	0.22200		0.23524	N/A	N/A	N/A	N/A
	0.24632		0.24427	N/A	N/A	N/A	N/A
	1.50000		1.50000	N/A	N/A	N/A	N/A
	1.00000		1.00000	N/A	N/A	N/A	N/A
	0.49076		0.49076	N/A	N/A	N/A	N/A
	0.49718		0.44921	0.43800	0.45300	0.42500	0.42500
	0.33317		0.28221	N/A	N/A	N/A	N/A
	5.43481		5.32599	1.02280	1.04280	1.03377	1.04680
\$	1.17000	\$	1.17000	\$	1.04000	\$	1.04000
	0.27050		0.25980		0.25090		0.25530
\$	1.44050	\$	1.42980	\$	1.26160	\$	1.29530
					1.29090		
					1.26920		

**Texas City Independent School District**  
Principal Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

**Table 7**

Taxpayer	2021			2012		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Blanchard Refining Co. LLC	\$ 1,054,529,520	1	18.87%	\$ -		0.00%
Valero Refining - Texas LP	354,611,200	2	6.34%	580,719,090	2	15.42%
Union Carbide Corp	217,936,610	3	3.90%	104,633,810	7	2.78%
Praxair Inc.	197,850,639	4	3.54%	155,563,790	6	4.13%
Texas-New Mexico Power LP	103,787,419	5	1.86%			0.00%
INEOS US Chemicals Company	93,394,236	6	1.67%			0.00%
South Houston Green Power LP	64,152,120	7	1.15%	178,245,350	4	4.73%
Eastman Chemical Texas City Inc	61,249,200	8	1.10%	51,430,590	9	1.37%
BWC Terminals	36,112,203	9	0.65%			0.00%
INEOS Styrolution America LLC	35,239,670	10	0.63%	47,616,403	10	1.26%
BP Products Inc	-		0.00%	1,495,834,190	1	39.72%
Marathon Petroleum Company LLC	-		0.00%	225,230,680	3	5.98%
BP Amoco Chemical	-		0.00%	164,333,920	5	4.36%
Valero Marketing & Supply Co	-		0.00%	103,130,850	8	2.74%
<b>TOTALS</b>	<b>\$ 2,218,862,817</b>		<b>39.70%</b>	<b>\$ 3,106,738,673</b>		<b>82.49%</b>
<b>TOTAL ASSESSED VALUE</b>	<b>\$ 5,589,417,506</b>			<b>\$ 3,766,001,390</b>		

Source: Texas Municipal Reports

**Texas City Independent School District**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)

**Table 8**

Fiscal Year	Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date (Including 60 Day Accrual)	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2021	\$ 76,055,204	\$ 74,813,375	98.37%	\$ -	\$ 74,813,375	98.37%
2020	73,858,969	72,617,276	98.32%	591,849	73,209,125	99.12%
2019	73,439,323	72,156,881	98.25%	603,007	72,759,888	99.07%
2018	66,267,280	65,070,331	98.19%	695,822	65,766,153	99.24%
2017	65,382,095	64,006,724	97.90%	1,012,160	65,018,884	99.44%
*2016	68,800,946	67,924,839	98.73%	643,632	68,568,471	99.66%
2015	49,964,248	49,659,985	99.39%	115,688	49,775,673	99.62%
2014	48,251,989	47,926,982	99.33%	174,309	48,101,291	99.69%
2013	51,233,934	50,857,342	99.26%	237,601	51,094,943	99.73%
2012	49,338,789	48,966,599	99.25%	239,715	49,206,314	99.73%

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

Source: Texas City Independent School District Annual Financial Reports Schedule J-1

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

**Texas City Independent School District**  
**Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 9**

Fiscal Year	Governmental Activities			Ratio of Debt to Assessed Value (1)	Debt Per Student (2)
	General Obligation Bonds	Capital Leases/Notes Payable	Total Primary Government		
2021	\$ 187,250,000	\$ -	\$ 187,250,000	3.35%	\$ 26,032
2020	221,955,206	825,000	222,780,206	4.26%	30,729
2019	235,995,713	1,640,000	237,635,713	4.90%	30,921
2018	186,372,411	2,482,939	188,855,350	4.09%	23,440
2017	119,557,119	3,512,227	123,069,346	2.71%	15,425
*2016	127,069,424	4,536,986	131,606,410	2.62%	22,539
2015	112,518,829	-	112,518,829	2.84%	19,309
2014	114,180,204	-	114,180,204	3.05%	20,323
2013	119,381,716	-	119,381,716	2.96%	21,855
2012	124,435,558	-	124,435,558	3.30%	22,947

Source: Texas Municipal Reports

(1) See Table 5 for assessed value data.

(2) See Table 12 for student average daily attendance.

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.



# Texas City Independent School District

Ratios of Net General Obligation Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)

**Table 10**

Fiscal Year	Gross Bonded Debt	Less Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (1)	Net Bonded Debt Per Student (2)
2021	\$ 187,250,000	\$ 16,919,833	\$ 170,330,167	3.05%	\$ 23,680
2020	221,955,206	13,936,574	208,018,632	3.98%	28,693
2019	235,995,713	12,989,994	223,005,719	4.60%	29,017
2018	186,372,411	10,835,688	175,536,723	3.80%	21,787
2017	119,557,119	2,793,780	116,763,339	2.57%	14,635
*2016	127,069,424	3,435,853	123,633,571	2.46%	21,174
2015	112,518,829	1,715,353	110,803,476	2.80%	19,014
2014	114,180,204	2,426,378	111,753,826	2.99%	19,891
2013	119,381,716	2,766,330	116,615,386	2.89%	21,349
2012	124,435,558	3,748,692	120,686,866	3.20%	22,256

Source: Texas Municipal Reports

(1) See Table 5 for assessed value data.

(2) See Table 12 for student average daily attendance.

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

**This Page Intentionally Left Blank**

**Texas City Independent School District**  
Direct and Overlapping Governmental Activities Debt  
June 30, 2021  
(Unaudited)

**Table 11**

<b>Taxing Body</b>	<b>Gross Debt Amount</b>	<b>Percent Overlapping</b>	<b>Share of Debt</b>
<b>OVERLAPPING</b>			
Bayou Vista, City of	\$ 19,000	100.00%	\$ 19,000
College of the Mainland	165,985,000	43.70%	72,535,445
Galveston County	210,083,482	16.30%	34,243,608
Galveston FWSD #6	7,780,000	61.97%	4,821,266
Galveston Co MUD #12	2,495,000	100.00%	2,495,000
Galveston Co MUD #52	3,805,000	100.00%	3,805,000
Galveston Co MUD #66	8,440,000	29.07%	2,453,508
La Marque, City of	29,221,988	53.12%	15,522,720
Texas City, City of	26,975,000	79.60%	21,472,100
Tiki Island, Village of	1,070,000	61.87%	662,009
Total Net Overlapping Debt			158,029,656
<b>DIRECT</b>			
Texas City ISD	187,250,000	100.0%	187,250,000
<b>TOTAL NET OVERLAPPING AND DIRECT DEBT</b>			<b>\$ 345,279,656</b>

Source: Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Texas City Independent School District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for paying the debt of the overlapping government.

# Texas City Independent School District

## Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

	2021	2020	2019	2018
Debt Limit	\$ 570,586,494	\$ 522,617,860	\$ 484,780,005	\$ 461,825,075
Total Net Debt Applicable to Limit	170,330,167	208,018,632	223,005,719	175,536,723
<b>LEGAL DEBT MARGIN</b>	<b>\$ 400,256,327</b>	<b>\$ 314,599,228</b>	<b>\$ 261,774,286</b>	<b>\$ 286,288,352</b>
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT</b>				
<b>AS A PERCENTAGE OF DEBT LIMIT</b>	29.85%	39.80%	46.00%	38.01%

### LEGAL DEBT MARGIN CALCULATION FOR THE CURRENT FISCAL YEAR

Assessed Value	\$ 5,589,417,506
Debt Limit (10% of Assessed Value)	558,941,751
Debt Applicable to Limit:	
General Obligation Bonds	187,250,000
Less: Amount Set Aside for Repayment of General Obligation Debt	16,919,833
Total Net Debt Applicable to Limit	170,330,167
Legal Debt Margin	<u>\$ 388,611,584</u>

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

Table 12

2017	*2016	2015	2014	2013	2012
\$ 453,884,728	\$ 503,269,555	\$ 396,038,745	\$ 373,785,646	\$ 403,671,084	\$ 376,600,139
116,763,339	123,633,571	110,803,476	111,753,826	116,615,386	120,686,866
<u>\$ 337,121,389</u>	<u>\$ 379,635,984</u>	<u>\$ 285,235,269</u>	<u>\$ 262,031,820</u>	<u>\$ 287,055,698</u>	<u>\$ 255,913,273</u>
25.73%	24.57%	27.98%	29.90%	28.89%	32.05%

**Texas City Independent School District**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)

**Table 13**

Fiscal Year	Residential Units (1)	Total Assessed Value of Residential Units (1)	Average Assessed Value Per Residential Unit	Average Daily Attendance (2)	Unemployment Rates at August 31,		
					Galveston County (3)	Texas (4)	United States (3)
2020-21	19,492	\$ 1,925,732,486	\$ 98,796	7,193	7.0%	6.5%	5.9%
2019-20	19,462	1,677,665,145	86,202	7,250	8.1%	8.6%	11.1%
2018-19	19,395	1,519,721,389	78,356	7,685	3.7%	3.6%	3.8%
2017-18	19,387	1,460,283,319	75,323	8,057	3.9%	4.0%	4.0%
2016-17	19,189	1,192,432,898	62,141	7,979	4.4%	4.6%	4.4%
*2015-16	8,946	457,564,493	51,147	5,839	4.9%	4.5%	4.9%
2014-15	8,951	413,087,690	46,150	5,827	5.3%	4.2%	5.3%
2013-14	8,948	403,048,558	45,043	5,618	6.2%	5.2%	6.1%
2012-13	8,949	399,016,839	44,588	5,462	7.4%	6.3%	7.5%
2011-12	8,954	400,041,992	44,677	5,423	8.1%	6.8%	8.2%

(1) Source: Galveston Central Appraisal District

(2) Source: Texas Education Agency

(3) Source: U.S. Bureau of Labor Statistics, July, Not Seasonally Adjusted

(4) Source: Texas Workforce Commission

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

**Texas City Independent School District**  
Demographic Statistics  
Last Ten Fiscal Years  
(Unaudited)

**Table 14**

<b>Fiscal Year</b>	<b>(A) Estimated School District Population</b>	<b>Personal Income (in 000s)</b>	<b>(B) Per Capita Personal Income</b>	<b>(B) Percent Unemployment</b>
2021	45,099	1,231,067	27,297	7.0%
2020	37,488	993,507	26,502	6.0%
2019	36,759	915,483	24,905	5.9%
2018	38,967	908,243	23,308	5.9%
2017	40,851	878,297	21,500	6.2%
2016*	40,454	868,952	21,480	6.5%
2015	29,605	630,675	21,303	6.5%
2014	28,486	630,139	22,121	8.2%
2013	27,559	613,436	22,259	9.6%
2012	27,117	612,302	22,580	9.3%

(A) Municipal Advisory Council of Texas

(B) City of Texas City CAFR

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

**This Page Intentionally Left Blank**



**Texas City Independent School District**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

**Table 15**

Employer (1)	2021			2012		
	Employees (1)	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
Marathon Texas City Refinery (Formerly Amoco)	2,000	1	1.88%	2,300	1	2.40%
Texas City Independent School District*	1,300	2	1.22%	879	3	0.92%
Tanger Outlets	900	3	0.85%	-	-	0.00%
HCA Houston Healthcare (Mainland Medical)	850	4	0.80%	750	4	0.78%
City of Texas City	482	5	0.45%	-	-	0.00%
Valero Refining, Texas, L.P.	480	6	0.45%	500	5	0.52%
Wal-Mart	400	7	0.38%	-	-	0.00%
College of the Mainland	291	8	0.27%	280	9	0.29%
INEOS	270	9	0.25%	-	-	0.00%
Dow Chemical	235	10	0.22%	335	8	0.35%
INEOS Nova	-		0.00%	1,150	2	1.20%
Eastman Chemical	-		0.00%	450	6	0.47%
BP Chemical	-		0.00%	350	7	0.37%
Marathon Petroleum Company	-		0.00%	275	8	0.29%
Total Employed per Top Ten Employers	<u>7,208</u>		<u>6.77%</u>	<u>7,269</u>		<u>7.59%</u>
Total Employed (2)	<u>106,481</u>			<u>95,727</u>		

(1) Texas City / La Marque Chamber of Commerce

(2) Texas Municipal Reports

**Texas City Independent School District**  
Full-Time Equivalent District Employees by Position  
Last Ten Fiscal Years  
(Unaudited)

<b>POSITION</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>TEACHERS</b>				
Teacher/Special Duty Teacher	569.8	545.9	543.7	573.5
Substitute Teacher	0.7	2.0	0.1	1.0
Teacher Totals	570.5	547.9	543.8	574.5
<b>PROFESSIONAL SUPPORT</b>				
Counselor	18.0	18.2	18.1	20.0
Educational Diagnostician	11.0	12.0	8.9	6.0
Librarian	5.5	9.1	8.0	10.8
Occupational Therapist	2.0	2.0	2.0	4.0
Physical Therapist	1.0	1.0	1.0	2.0
Recreational Therapist	-	-	-	1.0
Nurse	11.7	11.1	11.0	11.8
LSSP/Psychologist	1.0	2.0	4.0	5.8
Social Worker	1.0	1.0	1.0	1.0
Speech Language Pathologist	2.0	7.0	2.6	8.5
Athletic Trainer	2.0	1.3	1.2	1.1
Other Campus Professional Personnel	-	-	-	-
Other Non-Instructional District Professional Personnel	-	-	-	-
Instructional Materials Coordinator	1.0			
Communications Professionals	1.7	2.0	2.0	2.0
Information Technology Professionals	9.5	9.0	7.1	5.5
Food Service Professionals	1.5	2.0	1.5	1.5
Transportation	1.8	-	-	0.5
Athletics (Other than Athletic Director)	1.0	1.0	1.0	2.0
Maintenance	4.0	4.0	4.0	4.0
Business Services Professional	2.0	4.0	3.0	4.0
Non-Campus Professional Personnel	10.5	10.0	9.5	7.0
Campus Professional Personnel	47.7	57.9	52.1	58.3
Professional Support Totals	135.9	154.6	138.0	156.8
<b>CAMPUS ADMINISTRATION</b>				
Assistant Principal	19.0	18.4	17.1	18.9
District Instructional Program Director or Executive Director	-	-	-	-
Principal	13.0	13.0	13.0	13.0
Athletic Director	1.0	1.0	1.0	1.0
Campus Administration Totals	33.0	32.4	31.1	32.9

Table 16

2017	*2016	2015	2014	2013	2012
556.1	392.4	385.9	377.3	363.5	357.2
-	-	-	-	1.0	-
556.1	392.4	385.9	377.3	364.5	357.2
20.0	13.0	12.0	11.9	12.0	12.0
5.0	3.0	2.0	3.0	3.0	3.0
10.9	6.9	7.0	7.0	7.0	6.8
4.0	2.0	2.0	2.5	2.5	2.5
2.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	0.7	0.7	0.8	0.7
11.0	7.9	7.0	7.0	7.0	7.0
4.0	3.0	4.0	4.0	4.0	3.0
1.0	1.0	1.0	1.0	1.0	1.0
9.0	6.0	6.0	6.0	6.0	5.0
2.3	1.0	-	1.0	1.0	1.0
-	34.4	37.5	30.1	28.3	24.0
-	16.0	16.9	14.0	15.0	12.0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
84.7	-	-	-	-	-
-	-	-	-	-	-
154.9	96.2	97.1	89.2	88.6	79.0
20.1	12.0	11.0	12.5	12.0	12.0
-	-	-	0.5	-	-
13.0	9.0	9.0	9.0	9.0	9.0
1.0	1.0	1.0	1.0	1.0	1.0
34.1	22.0	21.0	23.0	22.0	22.0

# Texas City Independent School District

Full-Time Equivalent District Employees by Position - Continued  
Last Ten Fiscal Years  
(Unaudited)

POSITION	2021	2020	2019	2018
<b>CENTRAL ADMINISTRATION</b>				
Superintendent	1.0	1.0	1.0	1.0
Assistant/Deputy Supt	1.7	2.0	4.0	2.0
Instructional Officer	7.8	8.0	6.5	7.5
Athletic Director	-	-	-	-
Business Manager	2.0	1.0	1.0	1.0
Tax Assessor Collector	1.0	2.0	1.0	1.0
Director of HR	1.0	1.0	-	1.0
Central Administration Totals	14.5	15.0	13.5	13.5
<b>EDUCATIONAL AIDES</b>				
Aides	142.4	138.6	135.1	142.1
Educational Aides Totals	142.4	138.6	135.1	142.1
<b>AUXILIARY SUPPORT</b>				
Business/Finance	2.7	4.0	4.0	4.0
Campus Office/Clerical	56.7	54.7	57.0	59.0
Central Office/Clerical	10.6	9.4	9.0	9.2
Child Nutrition	85.3	88.5	89.6	83.4
Human Resources	-	-	-	2.0
Information Technology	7.0	7.0	4.0	1.9
Campus Technology Specialist	2.0	2.0	4.0	5.9
Custodial	77.9	86.5	73.7	79.9
Maintenance	37.0	41.2	41.0	46.4
Plumber	1.0	-	-	2.0
Painter	3.0	1.0	3.0	4.0
HVAC	1.0	4.0	3.0	4.0
Electrician	3.0	2.0	2.0	1.0
Warehouse	2.0	2.0	2.0	3.0
Safety/Security	15.6	18.6	15.5	17.7
Transportation	54.0	60.7	53.0	51.7
Other Non-Exempt Professional Auxiliary	14.0	18.6	16.2	14.0
Auxiliary Support Totals	372.8	400.2	377.0	389.1
<b>TOTAL EMPLOYEES</b>	<u>1,269.1</u>	<u>1,288.7</u>	<u>1,238.5</u>	<u>1,308.9</u>

Source: OnData Suite Report 'Staff FTE Counts and Salary Report for 20XX for All Campuses'

\*Note: La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

Table 16

<u>2017</u>	<u>*2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
1.0	1.0	1.0	1.0	1.0	1.0
2.5	4.0	4.0	2.8	4.0	3.0
4.5	5.0	5.0	3.0	3.0	3.0
-	-	-	-	-	-
1.0	1.0	-	1.0	1.0	1.0
-	-	-	1.0	1.0	1.0
1.0	-	-	1.0	1.0	1.0
<u>10.0</u>	<u>11.0</u>	<u>10.0</u>	<u>9.8</u>	<u>11.0</u>	<u>10.0</u>
116.9	101.1	95.7	96.3	87.6	89.8
<u>116.9</u>	<u>101.1</u>	<u>95.7</u>	<u>96.3</u>	<u>87.6</u>	<u>89.8</u>
116.9	101.1	95.7	96.3	87.6	89.8
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
396.5	288.2	302.8	271.1	253.2	267.3
<u>396.5</u>	<u>288.2</u>	<u>302.8</u>	<u>271.1</u>	<u>253.2</u>	<u>267.3</u>
<u>1,268.5</u>	<u>910.9</u>	<u>912.5</u>	<u>866.7</u>	<u>826.9</u>	<u>825.3</u>

# Texas City Independent School District

## Operating Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Average Daily Attendance (3)	Operating Expenditures (1)	Cost Per Student	Percentage Change
2021	7,193	\$ 107,989,726	\$ 15,013	5.37%
2020	7,250	103,295,145	14,248	9.34%
2019	7,685	100,150,584	13,031	-8.38%
2018	8,057	114,599,930	14,224	8.74%
2017	7,979	104,368,171	13,081	-18.85%
*2016	5,839	94,112,429	16,118	52.58%
2015	5,827	61,559,449	10,564	-5.68%
2014	5,618	62,926,617	11,200	4.58%
2013	5,462	58,498,434	10,709	0.87%
2012	5,423	57,571,644	10,617	-8.55%

(1) Operating expenditures are total expenditures less debt service principal, interest, debt service fees, and capital expenditures (to the extent capitalized for the government-wide statement of net position)

(2) Source: District documents.

(3) See Table 12 for student average daily attendance

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

Table 17

Governmental Fund Expenditures		Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program (2)
\$	183,861,206	\$ 25,561	12.59%	571	12.60	86.57%
	164,594,619	22,703	27.35%	548	13.23	78.14%
	137,014,472	17,828	10.76%	544	14.13	77.60%
	129,680,471	16,095	2.09%	575	14.02	74.26%
	125,787,163	15,766	-20.68%	556	14.35	71.96%
	116,060,408	19,877	52.20%	393	14.88	67.24%
	76,102,586	13,059	-18.21%	386	15.10	65.24%
	89,703,959	15,967	5.03%	377	14.89	67.34%
	83,042,055	15,203	5.63%	365	14.98	66.92%
	78,044,706	14,392	-24.25%	357	15.18	66.11%

**This Page Intentionally Left Blank**



**Texas City Independent School District**  
Teacher Base Salaries  
Last Ten Fiscal Years  
(Unaudited)

**Table 18**

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>District Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>	<u>No Degree</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctorate</u>
2021	\$ 55,000	\$ 75,000	\$ 58,558	\$ 57,641	11	419	134	6
2020	55,000	75,000	58,358	57,091	22	410	110	5
2019	53,100	71,100	55,616	54,122	18	402	119	4
2018	50,500	70,000	52,943	53,334	16	443	111	4
2017	50,500	70,000	53,385	52,525	16	422	115	3
*2016	48,500	68,302	52,054	51,892	3	311	76	1
2015	48,500	68,302	52,329	54,174	2	310	72	2
2014	47,500	68,302	50,932	50,179	2	302	71	3
2013	46,350	66,686	49,818	49,139	3	397	62	3
2012	44,800	66,243	48,535	48,375	2	295	58	2

(1) Source: District records.

(2) Source: Texas Education Agency website, Texas Academic Performance Report.

\*La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.

**Texas City Independent School District**  
School Building Information  
Last Ten Fiscal Years  
(Unaudited)

<b>Building</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>HIGH SCHOOLS</b>				
Texas City High School				
Original Build Year	2011			
Square Footage	375,535	375,535	375,535	375,535
Capacity	2,347	2,347	2,347	2,347
Enrollment	1,782	1,791	1,887	1,893
(1)La Marque High School				
Original Build Year	1970			
Renovation Year	1990, 2009			
Roof Replacement	2008			
Mechanical Upgrades	2021			
Square Footage	227,875	227,875	227,875	227,875
Capacity	1,424	1,424	1,424	1,424
Enrollment	716	690	725	665
(2)Industrial Trades Center				
Original Build Year	2017			
Square Footage	29,880	29,880	29,880	29,880
Capacity	250	250	250	250
Enrollment	n/a	n/a	n/a	n/a
Woodrow Wilson Alternative Education Program				
Original Build Year	1994			
Renovation Year	2015			
Roof Replacement	1994			
Square Footage	50,765	50,765	50,765	50,765
Capacity	317	317	317	317
Enrollment	20	74	68	55
<b>MIDDLE SCHOOLS</b>				
(3)Blocker Middle School				
Original Build Years	1957, 2014			
Expansion Years	1970, 2014			
Renovation Year	2014			
Mechanical Upgrades	2014			
Roof Replacement	2014			
Square Footage	192,764	192,764	192,764	192,764
Capacity	1,428	1,428	1,428	1,428
Enrollment	896	949	897	905
(1)(4)La Marque Middle School				
Square Footage	227,875	227,875	227,875	227,875
Capacity	1,424	1,424	1,424	1,424
Enrollment	525	538	506	737
Levi Fry Intermediate School				
Original Build Year	2009			
Square Footage	107,000	107,000	107,000	107,000
Capacity	1,070	1,070	1,070	1,070
Enrollment	894	921	922	957

**Table 19**  
(Page 1 of 3)

2017	2016	2015	2014	2013	2012
375,535	375,535	375,535	375,535	375,535	375,535
2,347	2,347	2,347	2,347	2,347	2,347
1,893	1,914	1,868	1,766	1,678	1,648
227,875	n/a	n/a	n/a	n/a	n/a
1,424	n/a	n/a	n/a	n/a	n/a
644	n/a	n/a	n/a	n/a	n/a
29,880	-	-	-	-	-
250					
n/a	n/a	n/a	n/a	n/a	n/a
50,765	50,765	50,765	13,153	13,153	13,153
317	317	317	82	82	82
85	34	49	32	34	44
192,764	192,764	192,764	129,158	129,158	129,158
1,428	1,428	1,428	1,810	1,810	1,810
930	945	911	912	914	879
166,276	n/a	n/a	n/a	n/a	n/a
1,232	n/a	n/a	n/a	n/a	n/a
739	n/a	n/a	n/a	n/a	n/a
107,000	107,000	107,000	107,000	107,000	107,000
1,070	1,070	1,070	1,070	1,070	1,070
930	899	929	909	886	911

**Texas City Independent School District**  
School Building Information- Continued  
Last Ten Fiscal Years  
(Unaudited)

Building	2021	2020	2019	2018
<b>ELEMENTARY SCHOOLS</b>				
Heights Elementary School				
Original Build Year	1993			
Renovation Year	2011			
Roof Replacement	1993			
Square Footage	72,921	72,921	72,921	72,921
Capacity	694	694	694	694
Enrollment	375	417	450	515
Kohfeldt Elementary School				
Original Build Year	2009			
Square Footage	87,000	87,000	87,000	87,000
Capacity	829	829	829	829
Enrollment	437	493	528	586
(5)Guajardo Elementary School				
Original Build Year	1957			
Renovation year	2010			
Square Footage	81,131	81,131	81,131	81,131
Capacity	773	773	773	773
Enrollment	507	520	527	561
Roosevelt-Wilson Elementary School				
Original Build Year	1993			
Renovation Year	2012			
Roof Replacement	1993			
Square Footage	81,131	81,131	81,131	81,131
Capacity	773	773	773	773
Enrollment	612	628	625	685
(6)Calvin Vincent Early Childhood Center				
Original Build Year	1974			
Renovation Year	2013			
Mechanical Upgrades	2013			
Roof Replacement	2014			
Square Footage	60,015	60,015	60,015	60,015
Capacity	572	572	572	572
Enrollment	268	351	372	248
(1)(7)Hayley Elementary School				
Original Build Year	2021			
Square Footage	99,092	38,944	38,944	38,944
Capacity	902	690	690	690
Enrollment	535	520	532	457
(8)Simms Elementary School				
Original Build Year	2021			
Square Footage	99,092	38,944	38,944	38,944
Capacity	902	690	690	690
Enrollment	472	549	593	574

Sources: 2021 Facilities Study  
PEIMS Student Data

**Table 19**  
(Page 2 of 3)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
72,921	72,921	72,921	72,921	72,921	72,921
694	694	694	694	694	694
537	571	557	545	709	747
87,000	87,000	87,000	87,000	87,000	87,000
829	829	829	829	829	829
547	578	564	537	522	493
81,131	81,131	18,131	81,131	81,131	81,131
773	773	773	773	773	773
583	581	580	590	576	586
81,131	81,131	81,131	81,131	81,131	81,131
773	773	773	773	773	773
660	645	655	616	620	611
60,015	60,015	60,015	60,015	n/a	n/a
572	572	572	572	n/a	n/a
270	225	227	249	n/a	n/a
55,274	n/a	n/a	n/a	n/a	n/a
526	n/a	n/a	n/a	n/a	n/a
515	n/a	n/a	n/a	n/a	n/a
60,319	n/a	n/a	n/a	n/a	n/a
574	n/a	n/a	n/a	n/a	n/a
604	n/a	n/a	n/a	n/a	n/a

**This Page Intentionally Left Blank**

**Texas City Independent School District**  
School Building Information- Continued  
Last Ten Fiscal Years  
(Unaudited)

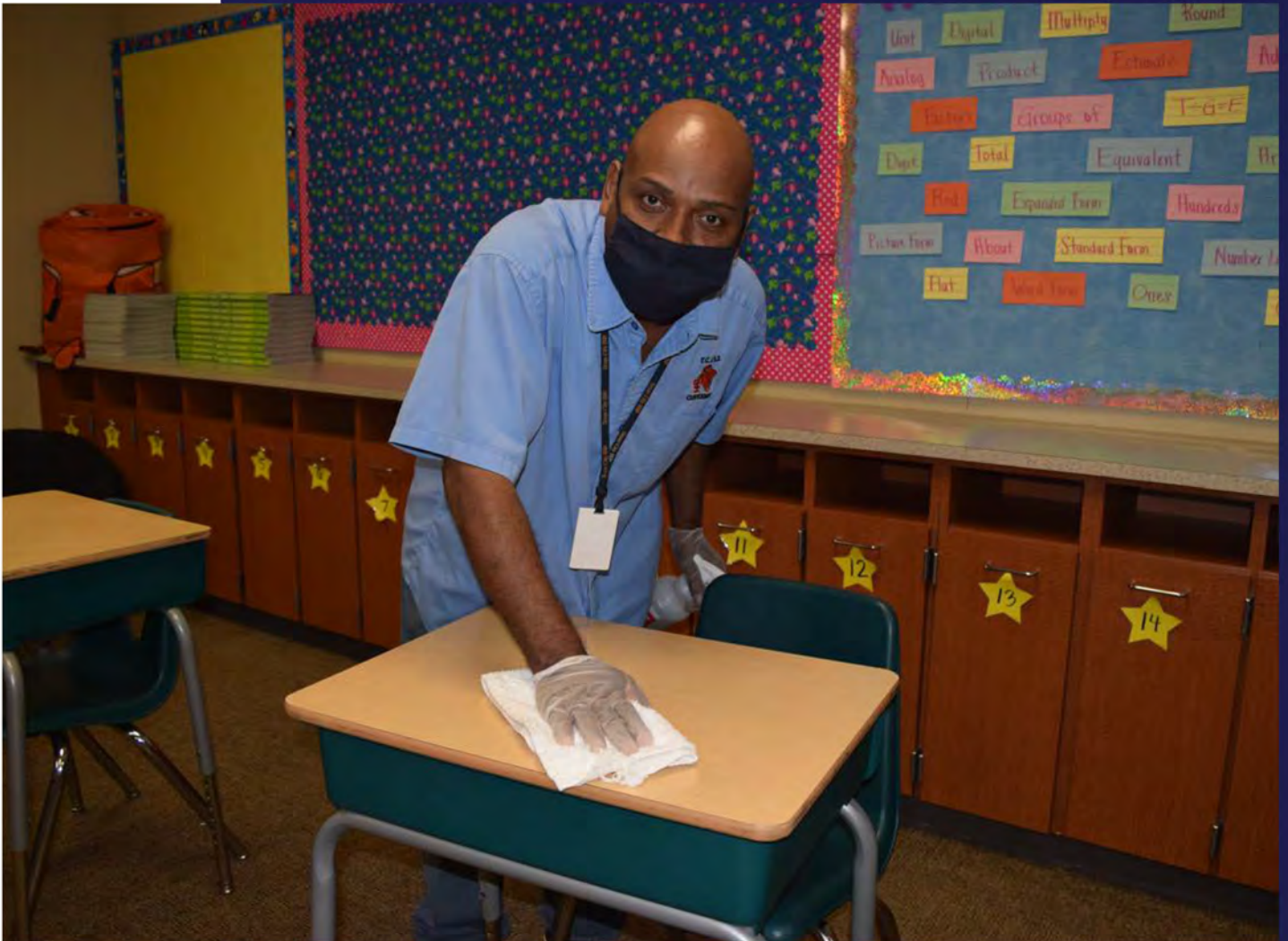
**Table 19**  
(Page 3 of 3)

- (1) La Marque ISD was annexed to Texas City ISD by the Texas Education Agency effective July 1, 2016.
- (2) The Industrial Trades Center (ITC) was constructed in 2017. Students are not directly enrolled in the campus, but students enrolled in Texas City High School or La Marque High School attend specific Career and Technology Classes in the facility.
- (3) The current Texas City High School was opened in 2011. The old Texas City High School was renovated and Blocker Middle School moved to the facility in 2014.
- (4) La Marque Middle School was damaged during Hurricane Harvey. Stakeholders approved a bond in 2018 to build a new campus and the new facility is expected to open for the 2022-2023 school year. At the time the campus was damaged, it housed grades 5, 6, 7, and 8. During the 2017-18 school year, all four grade levels transferred to the upstairs of the La Marque High School facility and temporary buildings located on the property. In 2018-19, fifth grade was transferred to the elementary schools housed in portable buildings.
- (5) Northside Elementary was re-named Guajardo Elementary in 2017 to honor the District's long-time Trustee, Manuel Guajardo, Jr. The District completed construction of the new Manuel Guajardo Elementary in January 2022, after the date of this report.
- (6) Calvin Vincent Early Childhood Center is located in a portion of the old Texas City High School that was renovated. The full day Pre K and Head Start facility opened in 2013. La Marque Primary was relocated after Hurricane Harvey in 2017 and Calvin Vincent now provides education to all of the District's Pre Kindergarten students.
- (7) Hayley Elementary was initially named La Marque Primary School after the annexation. The campus was damaged during Hurricane Harvey. Stakeholders approved a bond in 2018 to build a new facility which opened in August 2021. At the time the campus was damaged, it housed Pre Kindergarten, Kindergarten, and First Grade. After Hurricane Harvey in 2017-18 students were still identified as La Marque Primary Students, but attended at Heights and Calvin Vincent. Beginning in the 2018-19 school year, La Marque Primary's Pre Kindergarten Students were permanently assigned to Calvin Vincent Early Childhood Center. In 2018-19 and 2019-20, La Marque Primary was housed in temporary buildings and provided education to students in Kindergarten through Second Grade. In 2020-2021, the campus was re-named and reconfigured in anticipation of opening the new facility. Now known as Hayley Elementary, the campus services grades Kindergarten through Fifth Grade.
- (8) Simms Elementary was initially named La Marque Elementary School after the annexation and provided instruction for Second Grade through Fourth Grade. The campus was damaged during Hurricane Harvey and Stakeholders approved a bond in 2018 to build a new facility, opened in August 2021. After Hurricane Harvey in 2017-18, students were still identified as La Marque Elementary Students, but attended at either Guajardo or Roosevelt Wilson. In 2018-19 and 2019-20, La Marque Elementary was housed in temporary buildings, providing education to students in Third Grade through Fifth Grade. In 2020-2021, the campus was re-named and reconfigured in anticipation of opening the new facility. Now known as Simms Elementary, the campus services grades Kindergarten through Fifth Grade.

**This Page Intentionally Left Blank**



## Overall Compliance, Internal Control Section and Federal Awards



**This Page Intentionally Left Blank**

**Independent Auditor's Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards***

To the Board of Trustees of  
Texas City Independent School District  
Texas City, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Texas City Independent School District (the District) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 11, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Trustees of  
Texas City Independent School District

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
January 11, 2022

**Independent Auditor's Report on Compliance for Each Major Federal  
Program and Report on Internal Control over Compliance  
in Accordance with Uniform Guidance**

To the Board of Trustees of  
Texas City Independent School District  
Texas City, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Texas City Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

## Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
January 11, 2022

**Texas City Independent School District**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended August 31, 2021

**Section 1. Summary of Auditor's Results**

**Financial Statements**

- |                                                                                              |               |
|----------------------------------------------------------------------------------------------|---------------|
| 1. Type of auditor's report issued                                                           | Unmodified    |
| 2. Internal control over financial reporting:                                                |               |
| a. Material weakness(es) identified?                                                         | No            |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted?                                     | No            |

**Federal Awards**

- |                                                                                                       |                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 4. Internal control over major programs:                                                              |                                                                                                                                              |
| a. Material weakness(es) identified?                                                                  | No                                                                                                                                           |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses?          | None reported                                                                                                                                |
| 5. Type of auditor's report issued on compliance with major programs                                  | Unmodified                                                                                                                                   |
| 6. Any Audit Findings Disclosed that are required to be reported in accordance with Uniform Guidance? | No                                                                                                                                           |
| 7. Identification of major programs                                                                   | Child Nutrition Cluster 10.553 and 10.555<br>Elementary and Secondary School Emergency Relief Fund 84.425D<br>Coronavirus Relief Fund 21.019 |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs                    | \$750,000                                                                                                                                    |
| 9. Auditee qualified as a low-risk auditee?                                                           | Yes                                                                                                                                          |

**Section 2. Financial Statement Findings**

None reported

**Section 3. Federal Award Findings And Questioned Costs**

None reported

**Texas City Independent School District**

**Summary Schedule of Prior Audit Findings**

**For the Fiscal Year Ended August 31, 2021**

**Prior Year Findings**

None reported



**Texas City Independent School District**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit K-1**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Texas Education Agency:			
ESEA, Title I, Part A	84.010A	21610101084906	\$ 2,926,941
Title I 1003 School Improvement	84.010A	21610101084906	35,525
Total Assistance Listing Number 84.010A			2,962,466
Special Education Cluster (IDEA):			
Passed Through State Department of Education:			
IDEA-B Formula	84.027A	206600010849066600	90,458
IDEA-B Formula	84.027A	216600010849066600	1,775,212
IDEA-B Formula	84.027A	226600010849066600	39,230
Total Assistance Listing Number 84.027A			1,904,900
IDEA-B Preschool	84.173A	206610010849066610	21,803
IDEA-B Preschool	84.173A	216610010849066610	56,087
Total Assistance Listing Number 84.173A			77,890
Total Special Education Cluster (IDEA)			1,982,790
Carl D. Perkins Basic Grant	84.048A	21420006084906	137,593
Texas Education for Homeless Children & Youth	84.196A	214600057110070	74,670
21st Century Cycle 9 - Year 4	84.287C	206950247110028	275,488
21st Century Cycle 9 - Year 5	84.287C	216950247110028	670,233
21st Century Cycle 9 - Year 6	84.287C	226950247110042	7,393
21st Century Cycle 10 - Year 2	84.287C	206950267110047	97,236
21st Century Cycle 10 - Year 3	84.287C	216950267110047	1,223,325
Total Assistance Listing Number 84.287C			2,273,675
Title III , Part A, English Language Acquisition & Language Enhancement	84.365A	21671001084906	59,354
Title II, Part A, Teacher/Principal Training	84.367A	20694501084906	409,342
Title II, Part A, Teacher/Principal Training	84.367A	21694501084906	94,531
Total Assistance Listing Number 84.367A			503,873
Instructional Continuity Grant	84.377A	17610740084906	21,000
Title IV , Part A, Subpart 1	84.424A	21680101084906	152,329
COVID-19 - Elementary and Secondary School Emergency Relief I	84.425D	20521001084906	2,445,335
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	21521001084906	161,490
Total Assistance Listing Number 84.425			2,606,825
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			10,774,575
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Direct:			
Head Start Cluster:			
Head Start	93.600	N/A	550,004
Head Start	93.600	N/A	857,581
Total Head Start Cluster			1,407,585
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			1,407,585

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**Texas City Independent School District**  
**Schedule of Expenditures of Federal Awards - Continued**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit K-1**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Child Nutrition Cluster:			
Passed Through Texas Education Agency - Cash Assistance:			
COVID-19 School Breakfast Program	10.553	71402101	950,380
Passed Through Texas Department of Agriculture:			
National School Lunch Program - Non-Cash Assistance	10.555	806780706	377,795
COVID-19 - School Programs Emergency Operational Cost Reimbursement Program	10.555	806780706	416,132
Passed Through Texas Education Agency - Cash Assistance:			
COVID-19 National School Lunch Program	10.555	71302101	<u>2,353,797</u>
Total Assistance Listing Number 10.555			<u>3,147,724</u>
Total Child Nutrition Cluster			<u>4,098,104</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>4,098,104</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
Passed Through Texas Department of Emergency Management:			
COVID-19 - Coronavirus Relief Funds	21.019	N/A	<u>901,095</u>
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			<u>901,095</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Texas Department of Public Safety			
Division of Emergency Management:			
Disaster Grants - Public Assistance (FEMA)	97.036	PW-3260	1,129,629
Disaster Grants - Public Assistance (FEMA)	97.036	PW-4214	629,711
Disaster Grants - Public Assistance (FEMA)	97.036	PW-3351	<u>228,780</u>
Total Assistance Listing Number 97.036			<u>1,988,120</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>1,988,120</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 19,169,479</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

## **Texas City Independent School District**

### Notes to Schedule of Expenditures of Federal Awards

#### **Note 1. Summary of Significant Accounting Policies**

The District accounts for all awards under federal programs in the General Fund and certain Special Revenue Funds in accordance with the Texas Education Agency's Financial Accountability System Resource Guide. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

#### **Note 2. De Minimis Cost Rate**

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

#### **Note 3. Coronavirus Relief Fund (21.019)**

In March of 2020, The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by the President and established the Coronavirus Relief Fund (CRF) (Assistance Listing 21.019). The CARES Act requires that payments from the CRF be used to cover expenses that: (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019; (2) were not accounted for in the budget most recently approved as of March 27, 2020 for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. As of August 31, 2021, \$901,095 of eligible expenditures incurred in the prior year are included in the schedule of expenditures of federal awards for fiscal year 2021.

#### **Note 4. Elementary and Secondary School Emergency Relief I (84.425D)**

In March of 2020, The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by the President and established the Education Stabilization Fund (ESF). Although the funds were allocated to the US Department of Education (USDE) under a single federal program (ESF), the USDE awarded or will award ESF funds under 22 subprograms. Elementary and Secondary School Emergency Relief Fund I (ESSER I) (Assistance Listing 84.425D) is one of these subprograms. As of August 31, 2021, \$160,888 of eligible expenditures incurred under the ESSER I program were incurred in the prior year and are included in the schedule of expenditures of federal awards for fiscal year 2021.

**Texas City Independent School District**  
Notes to Schedule of Expenditures of Federal Awards

**Note 5. Reconciliation to Basic Financial Statements**

The following is a reconciliation of expenditures of federal awards per Exhibit K-1 and federal revenues reported on Exhibit C-2:

Total expenditures of federal awards per Exhibit K-1	\$ 19,169,479
General fund - federal revenue:	
Student Health and Related Services Program (SHARS)	1,680,062
ROTC	<u>70,799</u>
<b>Total federal revenues per Exhibit C-2</b>	<b><u>\$ 20,920,340</u></b>