

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
AUGUST 31, 2021**



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CERTIFICATE OF BOARD


Bellville Independent School District  
Name of School District

Austin  
County

008-901  
Co.Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) 6 ✓ approved 0 disapproved for the year ended August 31, 2021, at a meeting of the Board of Trustees of such school district on the 15<sup>th</sup> day of November, 2021.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Bellville Independent School District  
Bellville, 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 Bellville Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Bellville Independent School 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 Bellville Independent School District, as of August 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque

### ***Emphasis of Matter – Change in Accounting Principle***

As described in the notes to the financial statements, in fiscal year 2021 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is 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, budgetary comparison information, and pension and OPEB information 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bellville Independent School District's basic financial statements. The combining statements, required TEA schedules, Schedule of Required Responses to Selected School First Indicators and the Schedule of Expenditures of Federal Awards, as required by 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), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, required TEA schedules, and the schedule of expenditures of federal awards are the responsibility of management and were 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 combining statements, required TEA schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of required responses to selected school first indicators has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021 on our consideration of Bellville Independent School 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 Bellville Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bellville Independent School District's internal control over financial reporting and compliance.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
November 15, 2021



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis of the Bellville Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2021. It should be read in conjunction with the District's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The District's total combined net position at August 31, 2021 was \$19,048,218.
- For the fiscal year ended August 31, 2021, the District's general fund reported a total fund balance of \$17,417,390, of which \$5,860,095 is committed for construction and capital projects, \$600,000 is committed for self-insurance, \$600,000 is committed for residential placement, \$1,000,000 is committed of stabilization, and \$9,357,295 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds and the debt service fund) reported combined ending fund balances of \$18,092,010.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. These funds include student activity funds.
- The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current period's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report the District's net position and how it has changed. Net position is the difference between the District's assets, deferred outflow/inflows and liabilities and is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base, staffing patterns, enrollment, and attendance.

The government-wide financial statements of the District include the governmental activities. Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included in governmental activities. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's most significant funds — not the District as a whole. Funds are simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity — these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- Governmental funds — Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Fiduciary funds — The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations. The accounting method and focus used for fiduciary funds is much like that used for the government-wide statements.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$19,048,218 at August 31, 2021. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended August 31, 2021.

Table 1 indicates the overall condition of the District improved. Current assets increased due to an increase in cash receipts received from increases in student enrollment, real property sales and Cares Act funding. Long-term liabilities decreased as a result of decreases in the District's net pension, other post-employment benefit (OPEB) liabilities and bond payments.

**TABLE 1**  
**NET POSITION**

	2021	2020	Change
Current and other assets	\$ 21,093,733	\$ 20,782,762	\$ 310,971
Capital assets	<u>30,160,095</u>	<u>31,132,262</u>	<u>( 972,167)</u>
Total assets	<u>51,253,828</u>	<u>51,915,024</u>	<u>( 661,196)</u>
Deferred charges on refunding	935,269	1,051,643	( 116,374)
Deferred outflows related to pensions	2,553,842	3,300,937	( 747,095)
Deferred outflows related to OPEB	<u>1,480,985</u>	<u>1,686,751</u>	<u>( 205,766)</u>
Total deferred outflows of resources	<u>4,970,096</u>	<u>6,039,331</u>	<u>( 1,069,235)</u>
Current liabilities	1,942,372	2,327,618	( 385,246)
Long-term liabilities	<u>29,265,242</u>	<u>33,780,104</u>	<u>( 4,514,862)</u>
Total liabilities	<u>31,207,614</u>	<u>36,107,722</u>	<u>( 4,900,108)</u>
Deferred inflows related to pensions	1,109,791	1,023,317	86,474
Deferred inflows related to OPEB	<u>4,858,301</u>	<u>3,525,374</u>	<u>1,332,927</u>
Total deferred outflows of resources	<u>5,968,092</u>	<u>4,548,691</u>	<u>1,419,401</u>
Net position:			
Net investment in capital assets	14,246,349	13,025,157	1,221,192
Restricted	851,052	1,654,034	( 802,982)
Unrestricted	<u>3,950,817</u>	<u>2,618,751</u>	<u>1,332,066</u>
Total net position	\$ <u>19,048,218</u>	\$ <u>17,297,942</u>	\$ <u>1,750,276</u>

Table 2 reflects the District reporting an overall increase in revenues when compared to the prior fiscal year mainly due to an increase in student enrollment, real property sales and property taxes. Expenses remained consistent with the prior year.

**TABLE 2**  
**CHANGES IN NET POSITION**

	2021	2020	Change
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 674,769	\$ 551,327	\$ 123,442
Operating grants and contributions	4,784,172	4,902,144	( 117,972)
Capital grants and contributions	16,770	-	16,770
General revenues:			
Property taxes	17,141,078	16,419,968	721,110
State foundation program	6,232,241	6,214,209	18,032
Investment earnings	287,322	340,956	( 53,634)
Miscellaneous	354,339	128,941	225,398
Total revenues	<u>29,490,691</u>	<u>28,557,545</u>	<u>933,146</u>
<b>EXPENSES</b>			
Instruction	15,316,062	15,493,180	( 177,118)
Instructional resources and media services	300,381	308,855	( 8,474)
Curriculum and instructional staff development	359,460	245,843	113,617
Instructional leadership	323,067	378,572	( 55,505)
School leadership	1,231,854	1,333,738	( 101,884)
Guidance, counseling and evaluation services	939,130	875,079	64,051
Social work services	2,127	-	2,127
Health services	327,661	300,416	27,245
Student (pupil) transportation	1,143,735	1,139,776	3,959
Food services	1,324,928	1,353,151	( 28,223)
Co-curricular/extra curricular activities	1,329,738	1,144,157	185,581
General administration	1,104,126	1,115,547	( 11,421)
Plant maintenance and operations	2,595,059	2,604,642	( 9,583)
Security and monitoring services	278,840	245,421	33,419
Data processing services	208,470	200,769	7,701
Community services	2,310	-	2,310
Debt service - interest on long-term debt	575,397	615,490	( 40,093)
Debt service - bond issuance costs	20,600	1,300	19,300
Contracted instructional services	21,863	-	21,863
Other intergovernmental changes	356,644	338,975	17,669
Total expenses	<u>27,761,452</u>	<u>27,694,911</u>	<u>66,541</u>
<b>CHANGE IN NET POSITION</b>	<u>1,729,239</u>	<u>862,634</u>	<u>866,605</u>
<b>NET POSITION, BEGINNING</b>	<u>17,297,942</u>	<u>16,435,308</u>	<u>862,634</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>21,037</u>	<u>-</u>	<u>21,037</u>
<b>NET POSITION, ENDING</b>	<u>\$ 19,048,218</u>	<u>\$ 17,297,942</u>	<u>\$ 1,750,276</u>

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At the close of the fiscal year ending August 31, 2021, the District's governmental funds reported a combined fund balance of \$18,092,010. This compares to a combined fund balance of \$17,352,793 at August 31, 2020. A prior period adjustment of \$21,037 was made do to implementation of GASB 84. The fund balance in the general fund increased \$1,475,998 as a net result of increased revenues from increases in student enrollment, Real Property Sales and Cares Act Funding.

## **BUDGETARY HIGHLIGHTS**

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2021, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. During the fiscal year, there were no material changes between the original budget and the final amended budget. The general fund's actual revenues were more than budgeted revenues by \$517,987 due to Cares Act funding in the current year for prior year expenditures and student enrollment growth. In addition, the District's actual expenditures were less than budgeted expenditures by \$754,892. Expenditures were less than budgeted mainly due to reclassification of current year expenditures reimbursed by Cares Act funding to a non-major special revenue fund and general cost savings in capital outlay.

## **CAPITAL ASSETS**

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost of an amount determined by the Board. Donated capital assets are recorded at acquisition value at the date of donation. During the fiscal year ended August 31, 2021, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At August 31, 2021, the District had a total of \$54,408,869 invested in capital assets such as land, construction in progress, buildings, vehicles, and District equipment. This total includes \$1,118,009 invested during the fiscal year ended August 31, 2021 with the major invested capital assets being:

- Completion of West End Roof
- Junior High Roof and Gutters
- Junior High Gym Bleachers and Gym Floor
- O'Bryant Primary Roof
- Special Education Busses
- Suburban
- Junior High HVAC/Windows Project (construction in progress)
- Maintenance Building (construction in progress)

More detailed information about the District's capital assets can be found in the notes to the financial statements.

## **LONG-TERM LIABILITIES**

At year end, the District had \$15,395,000 in general obligation bonds outstanding versus \$17,545,000 last year. The decrease in long-term debt obligations is due to principal payments paid during the year totaling \$650,000 and defeasance in substance \$1,500,000 of its Series 2013 bonds using existing resources on hand.

The District carries a net pension liability of \$5,949,152, which decreased over the prior year balance of \$6,280,341. Further, a net other post-employment benefits liability of \$6,467,075 decreased over the prior year balance of \$8,148,991.

More detailed information about the long-term liabilities is presented in the notes to the financial statements.

## **ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS**

The following factors were considered in establishing the District's budget for 2021-2022:

- The COVID-19 pandemic continued to cause uncertainty for the 2021-2022 school year. Enrollment, attendance rates, staffing, additional expenses and the economic impact all were factors considered in the 2021-2022 budgets.
- While schools continue to work through House Bill 3 one of the most comprehensive school finance reform bills, the 87th Legislative Session provided little to no increases in revenue for school districts. Changes in Career Technology Allotment and GT Allotment were the only areas district might see funding increases
- The District saw an increase in enrollment in 2020-2021. Based on the 2020-2021 school year and forecasted projections, the 2021-2022 enrollment will increase over last years budgeted enrollment.
- The District adopted the same tax rate of \$1.1352.
- The Elementary and Secondary School Emergency Relief Funds, ESSER II and ESSER III passed in December 2020 and March 2021 will provide supplemental relief over the next three years. The district budget was not grown in response to ESSER as this is a onetime funding source.
- The board has positively positioned the district with conservative budgeting as we head into the biennium.
- District officials anticipate that the fund balance for the general fund will be fiscally sound, able to sustain cash flow requirements, and meet recommended general fund balance levels for 2021-2022

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general fund overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dennis Jurek, Assistant Superintendent of Finance and Operations at (979) 865-3133.

## **BASIC FINANCIAL STATEMENTS**

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**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT A-1**

STATEMENT OF NET POSITION

AUGUST 31, 2021

Data Control Codes		1 Governmental Activities
	<b>ASSETS</b>	
1110	Cash and cash equivalents	\$ 19,035,361
1220	Property taxes receivables	758,336
1230	Allowance for uncollectible taxes	( 227,501)
1240	Due from other governments	1,521,410
1290	Other receivables	4,627
1410	Deferred expenses	1,500
	Capital assets:	
1510	Land	953,729
1520	Buildings and improvements, net	26,987,510
1530	Furniture and equipment, net	1,942,011
1580	Construction in progress	276,845
1000	Total assets	<u>51,253,828</u>
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701	Deferred loss on bond refunding	935,269
1705	Deferred outflow related to pensions	2,553,842
1706	Deferred outflow related to other post-employment benefits	1,480,985
1700	Total deferred outflows of resources	<u>4,970,096</u>
	<b>LIABILITIES</b>	
2110	Accounts payable	219,018
2140	Interest payable	23,526
2160	Accrued wages payable	1,174,281
2200	Accrued expenses	54,037
2310	Unearned revenue	471,510
	Noncurrent liabilities:	
2501	Due within one year	870,000
2502	Due in more than one year	15,979,015
2540	Net pension liability	5,949,152
2545	Net other post-employment benefits liability	6,467,075
2000	Total liabilities	<u>31,207,614</u>
	<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605	Deferred inflow related to pensions	1,109,791
2606	Deferred inflow related to other post-employment benefits	4,858,301
2600	Total deferred inflows of resources	<u>5,968,092</u>
	<b>NET POSITION</b>	
3200	Net investment in capital assets	14,246,349
	Restricted for:	
3820	Federal and state programs	360,381
3850	Debt service	489,550
3890	Other purposes	1,121
3900	Unrestricted	3,950,817
3000	Total net position	\$ <u>19,048,218</u>

The accompanying notes are an integral part of this financial statement.

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Functions/Programs	1	Program Revenues 3
		Expenses	Charges for Services
	Primary government:		
	Governmental activities:		
11	Instruction	\$ 15,316,062	\$ 321,633
12	Instructional resources and media services	300,381	-
13	Curriculum and staff development	359,460	-
21	Instructional leadership	323,067	-
23	School leadership	1,231,854	-
31	Guidance, counseling, and evaluation services	939,130	-
32	Social work services	2,127	-
33	Health services	327,661	-
34	Student transportation	1,143,735	-
35	Food service	1,324,928	293,048
36	Extracurricular activities	1,329,738	60,088
41	General administration	1,104,126	-
51	Facilities maintenance and operations	2,595,059	-
52	Security and monitoring services	278,840	-
53	Data processing services	208,470	-
61	Community services	2,310	-
72	Interest on long-term debt	575,397	-
73	Bond issuance costs and fees	20,600	-
91	Contracted instructional services between schools	21,863	-
99	Other intergovernmental changes	356,644	-
	[TG] Total governmental activities	\$ 27,761,452	\$ 674,769
	General revenues:		
	Taxes:		
MT	Property taxes, levied for general purposes		
DT	Property taxes, levied for debt service		
GC	Grants and contributions not restricted to specific programs		
IE	Investment earnings		
MI	Miscellaneous		
TR	Total general revenues		
CN	Change in net position		
NB	Net position, beginning		
PA	Prior period adjustment		
NE	Net position, ending		

The accompanying notes are an integral  
part of this financial statement.

Program Revenues		Net (Expenses) Revenue and Changes in in Net Position
4	5	6
Operating Grants and Contributions	Capital Grants and Contributions	Primary Gov. Governmental Activities
\$ 2,794,892	\$ -	\$( 12,199,537)
21,975	-	( 278,406)
95,840	-	( 263,620)
49,732	-	( 273,335)
88,917	-	( 1,142,937)
309,819	-	( 629,311)
161	-	( 1,966)
34,300	-	( 293,361)
128,488	-	( 1,015,247)
986,948	-	( 44,932)
35,737	-	( 1,233,913)
53,994	-	( 1,050,132)
126,645	16,770	( 2,451,644)
9,177	-	( 269,663)
18,090	-	( 190,380)
161	-	( 2,149)
29,296	-	( 546,101)
-	-	( 20,600)
-	-	( 21,863)
-	-	( 356,644)
<u>\$ 4,784,172</u>	<u>\$ 16,770</u>	<u>( 22,285,741)</u>

15,031,752  
2,109,326

6,232,241  
287,322  
354,339

24,014,980

1,729,239

17,297,942

21,037

\$ 19,048,218

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT C-1**

**BALANCE SHEET**

AUGUST 31, 2021

Data Control Codes		10	50		98
		General Fund	Debt Service	Other Funds	Total Governmental Funds
	<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 18,231,755	\$ 441,802	\$ 361,804	\$ 19,035,361
1220	Property taxes - delinquent	656,516	101,820	-	758,336
1230	Allowance for uncollectible taxes (credit)	( 196,955)	( 30,546)	-	( 227,501)
1240	Due from other governments	1,257,614	-	263,796	1,521,410
1260	Due from other funds	313,296	-	75,330	388,626
1290	Other receivables	1,052	-	3,575	4,627
1410	Deferred expenditures	-	-	1,500	1,500
1000	Total assets	<u>20,263,278</u>	<u>513,076</u>	<u>706,005</u>	<u>21,482,359</u>
	<b>LIABILITIES</b>				
2110	Accounts payable	164,225	-	54,793	219,018
2160	Accrued wages payable	1,139,530	-	34,751	1,174,281
2170	Due to other funds	-	-	388,626	388,626
2200	Accrued expenditures	23,822	-	3,669	27,491
2300	Unearned revenues	<u>468,581</u>	<u>-</u>	<u>2,929</u>	<u>471,510</u>
2000	Total liabilities	<u>1,796,158</u>	<u>-</u>	<u>484,768</u>	<u>2,280,926</u>
	<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Unavailable revenue	<u>1,049,730</u>	<u>59,693</u>	<u>-</u>	<u>1,109,423</u>
2600	Total deferred inflows of resources	<u>1,049,730</u>	<u>59,693</u>	<u>-</u>	<u>1,109,423</u>
	<b>FUND BALANCES</b>				
	Restricted:				
3480	Retirement of long-term debt	-	453,383	-	453,383
3490	Museum	-	-	1,121	1,121
	Committed:				
3510	Construction	5,860,095	-	-	5,860,095
3540	Self-insurance	600,000	-	-	600,000
3545	Other	1,600,000	-	220,116	1,820,116
3600	Unassigned	<u>9,357,295</u>	<u>-</u>	<u>-</u>	<u>9,357,295</u>
3000	Total fund balances	<u>17,417,390</u>	<u>453,383</u>	<u>221,237</u>	<u>18,092,010</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 20,263,278</u>	<u>\$ 513,076</u>	<u>\$ 706,005</u>	<u>\$ 21,482,359</u>

The accompanying notes are an integral part of this financial statement.

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****EXHIBIT C-2****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

AUGUST 31, 2021

Total fund balances - governmental funds	\$ 18,092,010
<b>1</b> Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,160,095
<b>2</b> Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	444,585
School health and related services (SHARS)	304,457
Federal Emergency Management Agency (FEMA)	360,381
<b>3</b> Long-term liabilities, including bonds, and accreted interest, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	( 15,913,746)
<b>4</b> Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	( 23,526)
<b>5</b> The liabilities for workers' compensation is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	( 26,546)
<b>6</b> Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to pensions included a deferred resource outflow in the amount of \$2,553,842, a deferred resource inflow in the amount of \$1,109,791, and a net pension liability in the amount of \$5,949,152. This resulted in a decrease in net position.	( 4,505,101)
<b>7</b> Included in the items related to debt is the recognition of the District's proportionate share of the net other post-employment benefit (OPEB) liability required by GASB 75. The net position related to the OPEB included a deferred resource outflow in the amount of \$1,480,985, a deferred resource inflow in the amount of \$4,858,301, and a net OPEB liability in the amount of \$6,467,075. This resulted in a decrease in net position.	( 9,844,391)
<b>19</b> Net position of governmental activities	\$ <u>19,048,218</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT C-3**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED AUGUST 31, 2021**

Data Control Codes	10 General Fund	50 Debt Service	Other Funds	98 Total Governmental Funds
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ 15,648,323	\$ 2,139,930	\$ 609,839	\$ 18,398,092
5800 State programs	7,285,643	29,296	161,765	7,476,704
5900 Federal programs	<u>507,079</u>	<u>-</u>	<u>2,726,371</u>	<u>3,233,450</u>
5020 Total revenues	<u>23,441,045</u>	<u>2,169,226</u>	<u>3,497,975</u>	<u>29,108,246</u>
<b>EXPENDITURES</b>				
Current:				
0011 Instruction	12,568,895	-	1,516,819	14,085,714
0012 Instructional resources and media services	286,033	-	-	286,033
0013 Curriculum and instructional staff development	259,940	-	82,989	342,929
0021 Instructional leadership	314,899	-	177	315,076
0023 School leadership	1,193,309	-	-	1,193,309
0031 Guidance, counseling and evaluation services	688,586	-	222,518	911,104
0032 Social work services	2,063	-	-	2,063
0033 Health services	305,238	-	10,238	315,476
0034 Student (pupil) transportation	1,142,756	-	-	1,142,756
0035 Food services	3,205	-	1,316,104	1,319,309
0036 Extracurricular activities	1,085,929	-	236,900	1,322,829
0041 General administration	1,059,655	-	-	1,059,655
0051 Facilities maintenance and operations	2,220,394	-	53,816	2,274,210
0052 Security and monitoring services	262,607	-	9,177	271,784
0053 Data processing services	191,964	-	5,454	197,418
0061 Community services	2,063	-	183	2,246
Debt service:				
0071 Principal on long term debt	-	2,150,000	-	2,150,000
0072 Interest on long term debt	-	830,776	-	830,776
0073 Bond issuance costs and fees	-	20,600	-	20,600
Capital outlay:				
0081 Facilities acquisition and construction	690,184	-	-	690,184
Intergovernmental:				
0091 Contracted instructional services between schools	21,863	-	-	21,863
0099 Other intergovernmental charges	<u>356,644</u>	<u>-</u>	<u>-</u>	<u>356,644</u>
6030 Total expenditures	<u>22,656,227</u>	<u>3,001,376</u>	<u>3,454,375</u>	<u>29,111,978</u>
1100 Excess (deficiency) of revenues over (under) expenditures	<u>784,818</u>	<u>( 832,150)</u>	<u>43,600</u>	<u>( 3,732)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
7912 Sale of real and personal property	721,912	-	-	721,912
7915 Transfers in	-	-	30,732	30,732
8911 Transfers out	<u>( 30,732)</u>	<u>-</u>	<u>-</u>	<u>( 30,732)</u>
Total other financing sources (uses)	<u>691,180</u>	<u>-</u>	<u>30,732</u>	<u>721,912</u>
1200 Net change in fund balances	<u>1,475,998</u>	<u>( 832,150)</u>	<u>74,332</u>	<u>718,180</u>
0100 Fund balance - Beginning	<u>15,941,392</u>	<u>1,285,533</u>	<u>125,868</u>	<u>17,352,793</u>
1300 Prior period adjustment	<u>-</u>	<u>-</u>	<u>21,037</u>	<u>21,037</u>
3000 Fund balance - Ending	<u>\$ 17,417,390</u>	<u>\$ 453,383</u>	<u>\$ 221,237</u>	<u>\$ 18,092,010</u>

The accompanying notes are an integral  
part of this financial statement.

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

FOR THE YEAR ENDED AUGUST 31, 2021

Net change in fund balances - total governmental funds	\$ 718,180
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	( 972,167)
Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.	
Property taxes	( 60,521)
School health and related services (SHARS)	1,388
Federal Emergency Management Agency (FEMA)	16,770
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal repayment during the fiscal year.	
	2,150,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Amortization of premium and deferred loss on refunding of bonds payable	43,359
Accrued interest on long-term debt	19,996
Accreted interest on capital appreciation bonds	192,024
Workers' compensation liability	( 20,633)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$494,116. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$453,749. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by \$542,747. The net result is a decrease in net position.	
	( 502,380)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$133,580. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$129,304. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$138,947. The net result is a increase in net position.	
	<u>143,223</u>
Change in net position of governmental activities	\$ <u>1,729,239</u>

The accompanying notes are an integral part of this financial statement.

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****EXHIBIT E-1**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

AUGUST 31, 2021

	Private-Purpose Trust Funds	Custodial Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,655	\$ 38,246
Restricted assets	<u>75,000</u>	<u>-</u>
Total assets	<u>80,655</u>	<u>38,246</u>
<b>LIABILITIES</b>		
Accounts payable	<u>-</u>	<u>1,698</u>
Total liabilities	<u>-</u>	<u>1,698</u>
<b>NET POSITION</b>		
Restricted for:		
Scholarships	80,655	-
Student groups	<u>-</u>	<u>36,548</u>
Total net position	<u>\$ 80,655</u>	<u>\$ 36,548</u>



**BELLVILLE INDEPENDENT SCHOOL DISTRICT****EXHIBIT E-2**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	Private-Purpose Trust Funds	Custodial Fund
<b>ADDITIONS</b>		
Investment earnings:		
Interest	1,020	-
Total investment earnings	1,020	-
Collections from student groups	-	104,343
Total additions	1,020	104,343
<b>DEDUCTIONS</b>		
Beneficiary payments to individuals	1,000	-
Payments on-behalf of student groups	-	99,692
Total deductions	1,000	99,692
<b>NET INCREASE IN FIDUCIARY NET POSITION</b>	20	4,651
<b>NET POSITION, BEGINNING</b>	80,635	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	31,897
<b>NET POSITION, ENDING</b>	\$ 80,655	\$ 36,548

# **BELLVILLE INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

AUGUST 31, 2021

### **I. Summary of Significant Accounting Policies**

The basic financial statements of Bellville Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### **A. Reporting Entity**

The Board of School Trustees (the "Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

#### **B. Measurement Focus, Basis of Accounting, and Financial Presentation**

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. 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:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: This fund is used to account for tax revenues and for the payment of principal, interest, and related costs on long-term debt for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all the debt obligations have been met.

In addition, the District reports the following fund types:

**Special Revenue Funds:** These funds are used to account for revenues and expenditures related to grant awards and entitlements from federal, state, and local agencies. These funds are primarily on a reimbursement basis and have a program year that does not always coincide with the District's fiscal year. Nearly all of these funds cannot carry a fund balance and, other than the food service fund, none of these funds are legally required to have an adopted budget.

**Private-Purpose Trust Funds:** These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

**Custodial Funds:** These funds are used to report student activity funds and other resources held in a purely custodial capacity.

**Government-wide and Fiduciary Fund Financial Statements:** These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**C. Assets, Liabilities, Deferred Inflows/Outflows of Resources, Net Position/Fund Balance, Revenues and Expenditures/Expenses**

***1. Deposits and Investments***

Investments for the District are reported at fair value, except for the position in investment pools. The District's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments which have a remaining term of one year or less at time of purchase.

## **2. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

## **3. Deferred Expenditures/Expenses**

Deferred expenditures are payments made by the District in the current year that benefit the District in a future period. A corresponding portion of fund balance is shown as nonexpendable in governmental funds to indicate it is not available for other subsequent expenditures. Deferred items are recorded as expenditures/expenses when consumed rather than when purchased.

## **4. Capital Assets**

Capital assets, which include land, buildings, furniture and equipment, are reported in the governmental activities' column in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and infrastructure	30-50
Building improvements	20
Vehicles	2-18
Equipment	3-18

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

A deferred outflow of resources is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District had the following deferred outflows of resources:

- Deferred outflows of resources for refunding – Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, changes in actuarial assumptions, differences between projected and actual investment earnings and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.
- Deferred outflows of resources for OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, changes in actuarial assumptions, the differences between projected and actual investment earnings, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

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

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes and grants arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available.
- Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, as well as changes in proportion and difference between the employer's contributions and the proportionate share of contributions.
- Deferred inflow of resources for OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions.

## **6. *Interfund Activity***

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

## **7. *Defined Benefit Pension Plan***

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

## **8. Other Post-Employment Benefit Plans**

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

## **9. Net Position**

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## **10. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and 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 financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## **11. Fund Balance Flow Assumption**

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.

## **12. Fund Balances - Governmental Funds**

Non-spendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board or by an official or body to which the Board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

### **13. Data Control Codes**

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

### **14. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of August 31, 2021 will change.

## **II. Detailed Notes on Activities and Funds**

### **A. Deposits and Investments**

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

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

Deposit risk of the District includes the following:

**Custodial Credit Risk** - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. The District's cash deposits at August 31, 2021, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

## B. Other Receivables

Other receivables consist of \$1,052 from miscellaneous sources such as refunds in the general fund, and \$3,575 in outstanding cafe deposits in other governmental funds.

## C. Capital Assets

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

	Beginning Balance	Increases /Reclass	Decreases /Reclass	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,462,020	\$ -	\$ ( 508,291)	\$ 953,729
Construction in progress	515,875	276,845	( 515,875)	276,845
Total capital assets, not being depreciated	1,977,895	276,845	( 1,024,166)	1,230,574
Capital assets, being depreciated:				
Buildings and improvements	47,133,859	870,122	( 323,631)	47,680,350
Equipment	1,757,361	227,197	( 62,820)	1,921,738
Vehicles	3,316,487	259,720	-	3,576,207
Total capital assets, being depreciated	52,207,707	1,357,039	( 386,451)	53,178,295
Less accumulated depreciation for:				
Buildings and improvements	( 19,768,808)	( 1,218,616)	294,584	( 20,692,840)
Equipment	( 1,074,878)	( 111,227)	62,801	( 1,123,304)
Vehicles	( 2,209,654)	( 222,979)	3	( 2,432,630)
Total accumulated depreciation	( 23,053,340)	( 1,552,822)	357,388	( 24,248,774)
Total governmental activities capital assets, net	\$ 31,132,262	\$ 81,062	\$ ( 1,053,229)	\$ 30,160,095

Depreciation was charged to functions as follows:

Governmental activities:	
Instruction	\$ 742,645
Instruction Resources & Media Services	6,854
Curriculum & Staff Development	7,626
School Leadership	2,788
Guidance, Counseling & Evaluation Services	1,500
Health Services	2,634
Student (Pupil) Transportation	241,724
Food Services	18,431
Extracurricular Activities	150,735
General Administration	260
Plant Maintenance & Operations	354,370
Security & Monitoring Services	16,233
Data Processing Services	7,022
Total depreciation expense	\$ 1,552,822



#### **D. Interfund Balances**

Balances due to and due from other funds at August 31, 2021 consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Non-major governmental	\$ 313,296	Short-term loans
Non-major governmental	Non-major governmental	<u>75,330</u>	Short-term loans
Total		<u>\$ 388,626</u>	

#### **E. Deferred Inflows of Resources – Unavailable Revenue**

At year-end the District reported unavailable deferred inflows in the governmental funds for the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property taxes	\$ 384,892	\$ 59,693
Federal emergency management agency (FEMA) grant	360,381	-
School health and related services (SHARS) cost reimbursement	<u>304,457</u>	<u>-</u>
Totals	<u>\$ 1,049,730</u>	<u>\$ 59,693</u>

#### **F. Long-Term Debt**

Governmental long-term debt activity for the year ended August 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Governmental activities:</u></b>					
Unlimited tax refunding bonds, series 2013	\$ 8,500,000	\$ -	\$ 1,680,000	\$ 6,820,000	\$ 450,000
Unlimited tax refunding bonds, series 2015	6,620,000	-	370,000	6,250,000	315,000
Unlimited tax refunding bonds, series 2016	2,425,000	-	100,000	2,325,000	105,000
Accreted interest on bonds	192,024	2,976	195,000	-	-
Issuance premium/discount	<u>1,613,748</u>	<u>-</u>	<u>159,733</u>	<u>1,454,015</u>	<u>-</u>
Total governmental activities	<u>\$ 19,350,772</u>	<u>\$ 2,976</u>	<u>\$ 2,504,733</u>	<u>\$ 16,849,015</u>	<u>\$ 870,000</u>

Bonded indebtedness of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. These bonds were issued as unlimited tax refunding bonds and the interest rates on the bonds ranged from 2.0% to 4.0% for Series 2013 bonds; 1.6% to 4.0% for Series 2015 bonds; and 3.0% to 4.0% for Series 2016 bonds. Interest expense was \$790,348 for the year ended August 31, 2021.

During fiscal year 2021, the District defeased in substance a portion of its Series 2013 bonds using existing resources on hand. The resources were accumulated as a result of excess Interest and Sinking property tax revenues than were necessary for debt service. The District placed \$1,540,427 (net of costs of defeasance) into an irrevocable trust to pay the debt service until the call date in August 2022. The outstanding principal of \$1,500,000 is considered defeased and has been removed from the District's financial statements.

The District's outstanding bonds payable contain a provision that in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund.

Debt service requirements on long-term debt at August 31, 2021 are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2022	\$ 870,000	\$ 525,938	\$ 1,395,938
2023	900,000	495,138	1,395,138
2024	930,000	466,613	1,396,613
2025	955,000	440,088	1,395,088
2026	985,000	409,263	1,394,263
2027-2031	5,490,000	1,492,613	6,982,613
2032-2036	5,070,000	471,981	5,541,981
2037-2042	195,000	3,900	198,900
Totals	\$ 15,395,000	\$ 4,305,531	\$ 19,700,531

#### **G. Commitments Under Noncapitalized Leases**

The District has various operating lease agreements for copiers. Rent expenditures recognized by the District in the current year were \$94,342.

#### **H. Committed Fund Balance**

The District reported other committed fund balance on the governmental funds' balance sheet in the amount of \$8,280,211. The General Fund reported \$5,860,095 for capital expenditures/construction, \$600,000 for self-insurance, \$600,000 for residential care/day placement, and \$1,000,000 for capital stabilization. The Campus Activity Fund reported the amount of \$220,116 for activities at the various campuses.

#### **I. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the District purchased commercial insurance to cover general liabilities. 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.

#### **J. 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). It is a defined benefit pension plan 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

**Pension Plan Fiduciary Net Position.** Detailed information about the TRS's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.trs.texas.gov](http://www.trs.texas.gov); 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 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2020	2021
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
Current fiscal year employer contributions	\$	494,116
Current fiscal year member contributions		1,186,868
2020 measurement year NECE on-behalf contributions		864,056

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.

- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**Actuarial Assumptions.** The total pension liability in the August 31, 2019 actuarial valuation rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Inflation	2.3%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 14, 2019.

**Discount Rate.** A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25%. 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 the Systems target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation <sup>1</sup>	Long-Term Expected Geometric Real Rate of Return <sup>2</sup>	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	( 6.00%)	( 1.30%)	0.08%
Inflation Expectation			2.00%
Volatility Drag <sup>3</sup>			( 0.67%)
Total	100.00%		7.33%

<sup>1</sup> Target allocations are based on the FY2020 policy model

<sup>2</sup> Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020)

<sup>3</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of net pension liability	\$ 9,173,486	\$ 5,949,152	\$ 3,329,451

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions.** At August 31, 2021, the District reported a liability of \$5,949,152 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 5,949,152
State's proportionate share that is associated with the District	11,215,910
Total	\$ 17,165,062

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

At August 31, 2020, the District's proportion of the collective net pension liability was 0.0111078760% which was an decrease of 0.0009736223% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the District recognized pension expense of \$2,345,521 and revenue of \$1,349,025 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS' 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 economic experience	\$ 10,863	\$ 166,025
Changes in actuarial assumptions	1,380,415	586,943
Difference between projected and actual investment earnings	120,436	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	548,012	356,823
Contributions paid to TRS subsequent to the measurement date	<u>494,116</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 2,553,842</u>	<u>\$ 1,109,791</u>

The net amounts of the Districts balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended August 31,	Pension Expense
2022	\$ 365,442
2023	367,028
2024	296,665
2025	60,600
2026	( 118,403)
Thereafter	( 21,397)

#### K. **Defined Other Post-Employment Benefit Plans**

**Plan Description.** The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined other post-employment benefit (OPEB) plan that has a special funding situation. TRS-Care 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.** Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.trs.texas.gov](http://www.trs.texas.gov); 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.

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 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. There are no automatic postemployment benefit changes; including automatic COLAs.

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

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

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% 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. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2020	2021
Active employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 133,580
Current fiscal year member contributions		100,190
2020 measurement year NECE on-behalf contributions		173,751

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 employees hire a TRS retiree, they are required to pay TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

**Actuarial Assumptions.** The total OPEB liability in the August 31, 2019 was rolled forward to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions.

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. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. 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 scale (U-MP).

## Additional Actuarial Methods and Assumptions

### *Additional Actuarial Methods and Assumptions*

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	4.50% to 10.25%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

**Discount Rate.** A single discount rate of 2.33% was used to measure the total OPEB liability. here was a decrease of .30 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% more than the discount rate that was used 2.63% in measuring the Net OPEB Liability.



	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Proportionate share of net OPEB liability	\$ 7,760,475	\$ 6,467,075	\$ 5,445,475

**OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB.** At August 31, 2021, the District reported a liability of \$6,467,075 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 6,467,075
State's proportionate share that is associated with the District	<u>8,690,199</u>
Total	\$ <u>15,157,274</u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At the August 31, 2020, the District's proportion of the collective net OPEB liability was 0.0170121202% which was an decrease of 0.0002193866% from its proportion measured as of August 31, 2019.

**Healthcare Cost Trend Rates Sensitivity Analysis.** The following presents the net OPEB liability of the plan 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% less than and 1% greater than the assumed healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 5,282,772	\$ 6,467,075	\$ 8,044,400

**Changes Since the Prior Actuarial Valuation.** The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period:

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

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 338,613	\$ 2,959,664
Changes in actuarial assumptions	398,884	1,775,892
Differences between projected and actual investment earnings	2,102	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	607,806	122,745
Contributions paid to OPEB subsequent to the measurement date	<u>133,580</u>	<u>-</u>
Total as of fiscal year-end	\$ <u>1,480,985</u>	\$ <u>4,858,301</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended August 31,	OPEB Expense
2022	\$ ( 584,707)
2023	( 584,988)
2024	( 585,149)
2025	( 585,108)
2026	( 412,369)
Thereafter	( 758,575)

For the year ended August 31, 2021, the District recognized OPEB expense of (\$69,984) and revenue of (\$60,341) for support provided by the State.

#### **L. Negative Operating Grants and Contributions – Statement of Activities**

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recoded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75. During the year under audit, the NECE expense was negative due to changes in benefits within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in negative revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

	Operating Grants and Contributions	Negative On-behalf Accruals	Operating Grants and Contributions (excluding on- behalf accruals)
11-Instruction	\$ 2,794,892	\$ ( 40,524)	\$ 2,835,416
12-Instructional resources and media services	21,975	( 976)	22,951
13-Curriculum development and instructional staff development	95,840	( 547)	96,387
21-Instructional leadership	49,732	( 874)	50,606
23-School leadership	88,917	( 3,950)	92,867
31-Guidance, counseling, and evaluation services	309,819	( 2,195)	312,014
32-Social work services	161	-	161
33-Health services	34,300	( 7)	34,307
34-Student (pupil) transportation	128,488	( 1,069)	129,557
35-Food service	986,948	( 2,615)	989,563
36-Extracurricular activities	35,737	( 1,588)	37,325
41-General administration	53,994	( 2,268)	56,262
51-Facilities maintenance and operations	126,645	( 3,160)	129,805
52-Security and monitoring services	9,177	-	9,177
53-Data processing services	18,090	( 561)	18,651
61-Community services	161	( 7)	168
72-Interest on long-term debt	29,296	-	29,296
	<u>\$ 4,784,172</u>	<u>\$ ( 60,341)</u>	<u>\$ 4,844,513</u>

#### **M. Medicare Part D – On-behalf Payments**

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of those provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$69,425, \$70,505, and \$53,027 were recognized for the years ended August 31, 2021, 2020, and 2019, respectively, as equal revenues and expenditures.

#### **N. Employee Health Care Coverage**

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$225 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third-party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator is renewable September 1, and terms of coverage and premium costs are included in the contractual provisions.

#### **O. Commitments and Contingencies**

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

## **P. Shared Services Arrangements**

The District participates in a shared services arrangement (SSA) for the improvement of the education of limited English proficient children funded under ESEA Title III, Part A, English Language Acquisition and Language Enhancement. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, 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 is responsible for part of the financial activities of the SSA.

The District participates in an SSA with numerous other school districts for educational services for students with a hearing impairment. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Katy Independent School District, 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 is responsible for all of the financial activities of the SSA.

## **Q. Workers' Compensation**

During the year ended August 31, 2021, employees of the District were covered by a Workers' Compensation Plan (the "Plan"). The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator, Claims Administrative Services (CAS), acting on behalf of the self-funded pool, is renewable September 1, and terms, as well as costs of coverage, are included in the contractual provisions.

In accordance with state statutes, the District was protected against unanticipated catastrophic individual or aggregate loss by reinsurance coverage carried through Midwest Employers Casualty, a commercial insurer licensed or eligible to do business in the state of Texas in accordance with Texas Insurance Code. Reinsurance coverage was in effect for individual claims exceeding \$1,000,000 and for aggregate claims with a statutory limit of \$5,000,000. According to CAS, the unfunded claim benefit obligation of \$2,806 included \$0 in estimated claims incurred, but not reported.

The claim liability is based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate of claims in which have been incurred, but not reported based on historical experience. Changes in the claim's liability for workers compensation benefits for the current and prior fiscal years are summarized below:

	Fiscal Year	
	2021	2020
Claims liability at beginning of year	\$ 2,952	\$ 4,037
Current year claims and estimated changes	-	941
Claims payments	( 146)	( 2,026)
Claims liability at year end	\$ 2,806	\$ 2,952

During the year ended August 31, 2021, employees of the District were covered by a Workers' Compensation Plan (the "Plan"). The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator, Workers' Compensation Solutions (WCS), acting on behalf of the self-funded pool, is renewable September 1, and terms, as well as costs of coverage, are included in the contractual provisions.

In accordance with state statutes, the District was protected against unanticipated catastrophic individual or aggregate loss by reinsurance coverage carried through WCS, a commercial insurer licensed or eligible to do business in the state of Texas in accordance with Texas Insurance Code. According to WCS, the unfunded claim benefit obligation of \$23,740 included \$0 in estimated claims incurred, but not reported.

The claim liability is based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate of claims in which have been incurred, but not reported based on historical experience. Changes in the claim's liability for workers' compensation benefits for the current and prior fiscal years are summarized below:

	Fiscal Year	
	2021	2020
Claims liability at beginning of year	\$ 2,961	\$ 1,000
Current year claims and estimated changes	22,291	27,942
Claims payments	( 1,512)	( 25,981)
Claims liability at year end	\$ 23,740	\$ 2,961

#### **R. Unemployment Compensation**

During the year ended August 31, 2021, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the Unemployment Compensation Pool. For the year ended, August 31, 2021, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

#### **S. Prior Period Adjustment**

In the implementation of GASB Statement No. 84 relating to the presentation of fiduciary activities, the District adjusted beginning net position of the custodial fund as well as beginning fund balance in a non-major governmental fund for campus activities. The beginning balance of the custodial fund was established to be \$31,897, being presented as a prior period adjustment in Exhibit E-2. Some activities that were previously recorded as a fiduciary fund were determined to have significant administrative involvement by district faculty and reclassified to a non-major governmental fund (campus activities fund), which resulted in a prior period adjustment to fund balance of \$21,037.

#### **T. New Accounting Standards**

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

Statement No. 87, *Leases* – This Statement will improve the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities previously classified as operating leases. It establishes a single model for lease accounting based on the principle that leases are financing the right to use an underlying asset. Under the Statement a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resource, enhancing the relevance and consistency of information about leasing activities. This statement will become effective for reporting periods beginning after June 15, 2021.

Statement No. 91, *Conduit Debt Obligations* – This Statement provides a single method of reporting conduit debt obligation by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 will become effective for reporting periods beginning after December 15, 2021, and the impact has not yet been determined.

Statement No. 92, Omnibus 2020 – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 92 will become effective for reporting periods beginning after June 15, 2021, and the impact has not yet been determined.

Statement No. 93, Replacement of Interbank Offered Rates – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)-most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB 93 will become effective for reporting periods beginning after June 15, 2021, and the impact has not yet been determined.

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. GASB 94 will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

Statement No. 96, Subscription-Based Information Technology Arrangements – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. GASB 96 will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting/or Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASE Statements No. 14 and No. 84, and a supersession of GASE Statement No. 32 – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB 97 will become effective for reporting periods beginning after June 15, 2021, and the impact has not yet been determined.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts			Actual	Variance With Final Budget
	Original	Final	Amounts	Positive or (Negative)	
REVENUES					
5700	Local and intermediate sources	\$ 15,615,680	\$ 15,679,916	\$ 15,648,323	\$ ( 31,593)
5800	State programs	7,023,142	7,023,142	7,285,643	262,501
5900	Federal programs	220,000	220,000	507,079	287,079
5020	Total revenues	22,858,822	22,923,058	23,441,045	517,987
EXPENDITURES					
Current:					
0011	Instruction	12,924,561	12,903,967	12,568,895	335,072
0012	Instructional resources and media services	294,089	294,089	286,033	8,056
0013	Curriculum and instructional staff development	252,632	264,632	259,940	4,692
0021	Instructional leadership	328,858	328,858	314,899	13,959
0023	School leadership	1,262,410	1,260,646	1,193,309	67,337
0031	Guidance, counseling and evaluation services	614,538	694,538	688,586	5,952
0032	Social work services	-	5,000	2,063	2,937
0033	Health services	314,771	319,771	305,238	14,533
0034	Student (pupil) transportation	1,067,690	1,167,690	1,142,756	24,934
0035	Food services	2,000	7,000	3,205	3,795
0036	Extracurricular activities	1,080,954	1,089,386	1,085,929	3,457
0041	General administration	1,114,630	1,114,630	1,059,655	54,975
0051	Facilities maintenance and operations	2,187,401	2,244,982	2,220,394	24,588
0052	Security and monitoring services	362,693	322,693	262,607	60,086
0053	Data processing services	301,019	261,019	191,964	69,055
0061	Community services	-	5,000	2,063	2,937
Capital Outlay:					
0081	Facilities acquisition and construction	350,076	726,718	690,184	36,534
Intergovernmental:					
0091	Contracted instructional services between schools	34,500	34,500	21,863	12,637
0099	Other intergovernmental charges	366,000	366,000	356,644	9,356
6030	Total expenditures	22,858,822	23,411,119	22,656,227	754,892
1100	Excess (deficiency) of revenues over (over) expenditures	-	( 488,061)	784,818	1,272,879
OTHER FINANCING SOURCES AND (USES)					
7912	Sale of real and personal property	-	-	721,912	721,912
8911	Transfers out	-	( 100,000)	( 30,732)	69,268
	Total other financing sources (uses)	-	( 100,000)	691,180	791,180
1200	Net change in fund balance	-	( 588,061)	1,475,998	2,064,059
0100	Fund balance - Beginning	15,941,392	15,941,392	15,941,392	-
3000	Fund balance - Ending	\$ 15,941,392	\$ 15,353,331	\$ 17,417,390	\$ 2,064,059



## **BELLVILLE INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO REQUIRED BUDGETARY SCHEDULE**

**AUGUST 31, 2021**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Child Nutrition Program and the Debt Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The general fund budget report appears in Exhibit G-1 "Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund" and the other two reports are in Exhibit J-4 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Child Nutrition Program" and J-5 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund."

The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

1. Prior to August 20 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. At least ten days' public notices of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can be amended at the function and fund level by approval of a majority of the members of the Board. Changes can be made to the budget at any detail within the function level without an amendment approved by the Board. During the year, several budget amendments were made with Board approval. The most significant amendments were for carryover funding; mid-year adjustments of operating costs; and year-end adjustments to expenditures based on the latest information concerning operating cost. All budget appropriations lapse at year-end.

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****SCHEDULE TO THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM****FOR THE YEAR ENDED AUGUST 31, 2021**

Measurement Year Ended August 31,	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability (asset)	0.0111079%	0.0120815%
District's proportionate share of net pension liability (asset)	\$ 5,949,152	\$ 6,280,341
States proportionate share of the net pension liability (asset) associated with the District	<u>11,215,910</u>	<u>10,164,716</u>
Total	\$ <u>17,165,062</u>	\$ <u>16,445,057</u>
District's covered payroll	\$ 15,052,697	\$ 13,945,766
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.52%	45.03%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%

Note: 10 years of information is required, but information prior to 2014 is not available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0117706%	0.0113756%	0.0105979%	0.0099843%	0.0050625%
\$ 6,478,845	\$ 3,637,316	\$ 4,004,799	\$ 3,529,317	\$ 1,352,264
<u>11,358,928</u>	<u>6,933,612</u>	<u>8,304,136</u>	<u>8,102,911</u>	<u>7,080,982</u>
\$ <u>17,837,773</u>	\$ <u>10,570,928</u>	\$ <u>12,308,935</u>	\$ <u>11,632,228</u>	\$ <u>8,433,246</u>
\$ 13,697,434	\$ 13,357,225	\$ 12,624,400	\$ 11,875,312	\$ 11,648,337
47.30%	27.23%	31.72%	29.72%	11.61%
73.74%	82.17%	78.00%	78.43%	83.25%

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED AUGUST 31, 2021

Fiscal Year Ended August 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 494,116	\$ 383,244	\$ 422,868	\$ 398,574
Contribution in relation to the contractually required contribution	( 494,116)	( 383,244)	( 422,868)	( 398,574)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 15,416,511	\$ 15,052,697	\$ 13,945,766	\$ 13,697,434
Contributions as a percentage of covered payroll	3.21%	2.55%	3.03%	2.91%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 372,827	\$ 336,723	\$ 295,641	\$ 128,348	\$ 108,384	\$ 94,215
<u>( 372,827)</u>	<u>( 336,723)</u>	<u>( 295,641)</u>	<u>( 128,348)</u>	<u>( 108,384)</u>	<u>( 94,215)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 13,357,225	\$ 12,624,400	\$ 11,875,312	\$ 11,648,337	\$ 11,212,163	\$ 11,338,031
2.79%	2.67%	2.49%	1.10%	0.97%	0.83%

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****EXHIBIT G-4**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET OPEB LIABILITY  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

Measurement Year Ended August	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	0.0170121%	0.0172315%	0.0168542%	0.0158220%
District's proportionate share of net OPEB liability (asset)	\$ 6,467,075	\$ 8,148,991	\$ 8,415,464	\$ 6,880,415
States proportionate share of the net OPEB liability (asset) associated with the District	<u>8,690,199</u>	<u>10,828,186</u>	<u>11,434,886</u>	<u>10,379,859</u>
Total	<u>\$ 15,157,274</u>	<u>\$ 18,977,177</u>	<u>\$ 19,850,350</u>	<u>\$ 17,260,274</u>
District's covered employee payroll	\$ 15,052,697	\$ 13,945,766	\$ 13,697,434	\$ 13,357,225
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	42.96%	58.43%	61.44%	51.51%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

Note: 10 years of information is required, but information prior to 2017 is not available.

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****EXHIBIT G-5**

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

Fiscal Year Ended August 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 133,580	\$ 129,304	\$ 122,296	\$ 116,256
Contribution in relation to the contractually required contribution	<u>( 133,580)</u>	<u>( 129,304)</u>	<u>( 122,296)</u>	<u>( 116,256)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered employee payroll	\$ 15,416,511	\$ 15,052,697	\$ 13,945,766	\$ 13,697,434
Contributions as a percentage of covered employee payroll	0.87%	0.86%	0.88%	0.85%

Note: 10 years of information is required, but information prior to 2018 is not available.

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## **COMBINING STATEMENTS**

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes		Special Revenue Funds			
		211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool	226 IDEA Part B High Cost
	<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 121,372	\$ -	\$ -	\$ -
1240	Due from other governments	53,298	47,407	-	-
1260	Due from other funds	75,330	-	-	-
1290	Other receivables	-	-	-	-
1410	Deferred expenditures	-	-	-	-
1000	Total assets	<u>250,000</u>	<u>47,407</u>	<u>-</u>	<u>-</u>
	<b>LIABILITIES</b>				
2110	Accounts payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	250,000	47,407	-	-
2200	Accrued expenditures	-	-	-	-
2310	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>250,000</u>	<u>47,407</u>	<u>-</u>	<u>-</u>
	<b>FUND BALANCES</b>				
	Restricted for:				
3490	Museum	-	-	-	-
3545	Committed for campus activity	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 250,000</u>	<u>\$ 47,407</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					
240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER I	270 ESEA V, B Rural & Low Income Program
\$ 18,550	\$ -	\$ -	\$ -	\$ -	\$ -
69,115	-	-	-	-	29,570
-	-	-	-	-	-
3,575	-	-	-	-	-
1,500	-	-	-	-	-
<u>92,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,570</u>
54,320	-	-	-	-	-
34,751	-	-	-	-	-
-	-	-	-	-	29,570
3,669	-	-	-	-	-
-	-	-	-	-	-
<u>92,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,570</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>92,740</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>29,570</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes		Special Reveune Funds			
		272	276	277	282
		MAC	Instructional	CRF	ESSER III
		Program	Continuity	CARES	ARPA
			SIP	Act	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	-	-	-	42,280
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Deferred expenditures	-	-	-	-
1000	Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,280</u>
<b>LIABILITIES</b>					
2110	Accounts payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	42,280
2200	Accrued expenditures	-	-	-	-
2310	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,280</u>
<b>FUND BALANCES</b>					
	Restricted for:				
3490	Museum	-	-	-	-
3545	Committed for campus activity	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,280</u>

Special Reveune Funds					
289 Title IV, Part A	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 Instructional Materials Allotment	429 Other State Special Revenue Funds	461 Campus Activity Funds
\$ -	\$ -	\$ 172	\$ -	\$ -	\$ 220,406
11,954	-	-	10,172	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,954</u>	<u>-</u>	<u>172</u>	<u>10,172</u>	<u>-</u>	<u>220,406</u>
-	-	-	-	-	290
-	-	-	-	-	-
11,954	-	-	7,415	-	-
-	-	-	-	-	-
-	-	172	2,757	-	-
<u>11,954</u>	<u>-</u>	<u>172</u>	<u>10,172</u>	<u>-</u>	<u>290</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,116</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,116</u>
\$ <u>11,954</u>	\$ <u>-</u>	\$ <u>172</u>	\$ <u>10,172</u>	\$ <u>-</u>	\$ <u>220,406</u>

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**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT H-1**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes		Special	
		Revenue Funds	Total
		499	Nonmajor
		Museum	Governmental
		Fund	Funds
<b>ASSETS</b>			
1110	Cash and cash equivalents	\$ 1,304	\$ 361,804
1240	Due from other governments	-	263,796
1260	Due from other funds	-	75,330
1290	Other receivables	-	3,575
1410	Deferred expenditures	-	1,500
1000	Total assets	<u>1,304</u>	<u>706,005</u>
<b>LIABILITIES</b>			
2110	Accounts payable	183	54,793
2160	Accrued wages payable	-	34,751
2170	Due to other funds	-	388,626
2200	Accrued expenditures	-	3,669
2310	Unearned revenue	-	2,929
2000	Total liabilities	<u>183</u>	<u>484,768</u>
<b>FUND BALANCES</b>			
	Restricted for:		
3490	Museum	1,121	1,121
3545	Committed for campus activity	-	220,116
3000	Total fund balances	<u>1,121</u>	<u>221,237</u>
4000	Total liabilities and fund balances	\$ <u>1,304</u>	\$ <u>706,005</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Special Revenue Funds			
		211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool	226 IDEA Part B High Cost
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State programs	-	-	-	-
5900	Federal programs	548,836	420,218	7,949	85,110
5020	Total revenues	548,836	420,218	7,949	85,110
EXPENDITURES					
Current:					
0011	Instruction	548,836	218,958	-	85,110
0013	Curriculum and instructional staff development	-	58,171	1,625	-
0021	Instructional leadership	-	177	-	-
0031	Guidance, counseling and evaluation services	-	142,912	6,324	-
0033	Health services	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total expenditures	548,836	420,218	7,949	85,110
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	-	-
	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - September 1 (beginning)	-	-	-	-
1300	Prior period adjustment	-	-	-	-
3000	Fund balance - August 31 (ending)	\$ -	\$ -	\$ -	\$ -



Special Revenue Funds					
240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER I	270 ESEA V, B Rural & Low Income Program
\$ 298,424	\$ -	\$ -	\$ -	\$ -	\$ -
5,620	-	-	-	-	-
<u>981,328</u>	<u>25,466</u>	<u>78,389</u>	<u>7,214</u>	<u>201,742</u>	<u>42,856</u>
<u>1,285,372</u>	<u>25,466</u>	<u>78,389</u>	<u>7,214</u>	<u>201,742</u>	<u>42,856</u>
-	25,466	78,389	6,329	147,926	38,056
-	-	-	885	-	4,800
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,316,104	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	53,816	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,316,104</u>	<u>25,466</u>	<u>78,389</u>	<u>7,214</u>	<u>201,742</u>	<u>42,856</u>
( 30,732)	-	-	-	-	-
<u>30,732</u>	-	-	-	-	-
<u>30,732</u>	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Special Reveune Funds			
		272	276	277	282
		MAC	Instructional	CRF	ESSER III
		Program	Continuity	CARES	ARPA
			SIP	Act	
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State programs	-	-	-	-
5900	Federal programs	10,238	10,500	227,715	42,280
5020	Total revenues	10,238	10,500	227,715	42,280
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	-	10,500	227,715	6,520
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	30,306
0033	Health services	10,238	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	5,454
0061	Community services	-	-	-	-
6030	Total expenditures	10,238	10,500	227,715	42,280
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	-	-	-	-
	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - September 1 (beginning)	-	-	-	-
1300	Prior period adjustment	-	-	-	-
3000	Fund balance - August 31 (ending)	\$ -	\$ -	\$ -	\$ -

Special Reveune Funds					
289 Title IV, Part A	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 Instructional Materials Allotment	429 Other State Special Revenue Funds	461 Campus Activity Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 311,030
-	975	-	23,143	132,027	-
<u>36,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>36,530</u>	<u>975</u>	<u>-</u>	<u>23,143</u>	<u>132,027</u>	<u>311,030</u>
29,521	975	-	23,143	69,375	-
7,009	-	-	-	10,499	-
-	-	-	-	-	-
-	-	-	-	42,976	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	236,900
-	-	-	-	-	-
-	-	-	-	9,177	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>36,530</u>	<u>975</u>	<u>-</u>	<u>23,143</u>	<u>132,027</u>	<u>236,900</u>
-	-	-	-	-	74,130
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	74,130
-	-	-	-	-	124,949
-	-	-	-	-	21,037
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>220,116</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT H-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Special Revenue Funds	Total
		499	Nonmajor Governmental Funds
		Museum Fund	
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ 385	\$ 609,839
5800	State programs	-	161,765
5900	Federal programs	-	2,726,371
5020	Total revenues	385	3,497,975
<b>EXPENDITURES</b>			
Current:			
0011	Instruction	-	1,516,819
0013	Curriculum and instructional staff development	-	82,989
0021	Instructional leadership	-	177
0031	Guidance, counseling and evaluation services	-	222,518
0033	Health services	-	10,238
0035	Food services	-	1,316,104
0036	Extracurricular activities	-	236,900
0051	Facilities maintenance and operations	-	53,816
0052	Security and monitoring services	-	9,177
0053	Data processing services	-	5,454
0061	Community services	183	183
6030	Total expenditures	183	3,454,375
1100	Excess (deficiency) of revenues over (under) expenditures	202	43,600
<b>OTHER FINANCING SOURCES (USES)</b>			
7915	Transfers in	-	30,732
	Total other financing sources (uses)	-	30,732
1200	Net change in fund balances	202	74,332
0100	Fund balance - September 1 (beginning)	919	125,868
1300	Prior period adjustment	-	21,037
3000	Fund balance - August 31 (ending)	\$ 1,121	\$ 221,237

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****EXHIBIT H-3**COMING STATEMENT OF NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	York Athletic Trust	Lisa Wise Memorial Scholarship	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,305	\$ 2,350	\$ 5,655
Restricted assets	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total assets	<u>78,305</u>	<u>2,350</u>	<u>80,655</u>
<b>LIABILITIES</b>			
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Restricted for scholarships	<u>78,305</u>	<u>2,350</u>	<u>80,655</u>
Total net position	<u>\$ 78,305</u>	<u>\$ 2,350</u>	<u>\$ 80,655</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT****EXHIBIT H-4**COMBINING STATEMENT OF CHANGES IN NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	York Athletic Trust	Lisa Wise Memorial Scholarship	Totals
<b>ADDITIONS</b>			
Interest, dividends, and other	\$ <u>1,020</u>	\$ <u>-</u>	\$ <u>1,020</u>
Total additions	<u>1,020</u>	<u>-</u>	<u>1,020</u>
<b>DEDUCTIONS</b>			
Scholarship awards	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total deductions	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>NET INCREASE IN FIDUCIARY NET POSITION</b>	20	-	20
<b>NET POSITION, BEGINNING</b>	<u>78,285</u>	<u>2,350</u>	<u>80,635</u>
<b>NET POSITION, ENDING</b>	\$ <u>78,305</u>	\$ <u>2,350</u>	\$ <u>80,655</u>

## **REQUIRED TEA SCHEDULES**

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

## SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2021

Last Ten Years Ended August 31,	1	2	3	10
	Tax Rates		Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 9/1/2020
	Maintenance	Debt Service		
2012 and prior years	various	various	various	\$ 88,645
2013	1.040000	0.220000	1,049,472,287	23,383
2014	1.080000	0.180000	1,050,487,509	29,909
2015	1.080000	0.180000	1,097,894,277	36,082
2016	1.120000	0.140000	1,067,500,810	45,563
2017	1.120000	0.140000	1,140,066,320	63,881
2018	1.120000	0.140000	1,204,650,952	67,366
2019	1.120000	0.140000	1,299,912,381	108,321
2020	1.035900	0.140000	1,395,028,489	298,768
2021	0.995200	0.140000	1,458,290,962	-
1000 Totals				\$ <u>761,918</u>



**EXHIBIT J-1**

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/2021
\$ -	\$ 2,670	\$ 565	\$ -	\$ 85,410
-	288	61	-	23,034
-	807	171	-	28,931
-	2,129	450	-	33,503
-	8,840	1,473	-	35,250
-	18,594	3,099	5	42,193
-	22,916	2,864	10,393	51,979
-	50,891	6,361	22,514	73,583
-	186,084	25,149	16,468	104,003
<u>16,554,519</u>	<u>14,607,091</u>	<u>2,054,856</u>	<u>387,878</u>	<u>280,450</u>
\$ <u>16,554,519</u>	\$ <u>14,900,310</u>	\$ <u>2,095,049</u>	\$ <u>437,258</u>	\$ <u>758,336</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-4**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL- NATIONAL BREAKFAST AND LUNCH PROGRAM FUND  
  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
	<b>REVENUES</b>				
5700	Local and intermediate sources	\$ 544,878	\$ 544,878	\$ 298,424	\$( 246,454)
5800	State program	5,243	5,243	5,620	377
5900	Federal program	726,675	726,675	981,328	254,653
5020	Total revenues	<u>1,276,796</u>	<u>1,276,796</u>	<u>1,285,372</u>	<u>8,576</u>
	<b>EXPENDITURES</b>				
	Current:				
0035	Food service	1,264,510	1,364,510	1,316,104	48,406
0051	Facilities maintenance and operations	12,286	12,286	-	12,286
6030	Total expenditures	<u>1,276,796</u>	<u>1,376,796</u>	<u>1,316,104</u>	<u>60,692</u>
1100	Excess (deficiency) of revenues over (over) expenditures	<u>-</u>	<u>( 100,000)</u>	<u>( 30,732)</u>	<u>69,268</u>
	Other financing sources (uses)				
7915	Transfers in	<u>-</u>	<u>100,000</u>	<u>30,732</u>	<u>( 69,268)</u>
	Total other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>30,732</u>	<u>( 69,268)</u>
1200	Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-5**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 2,016,368	\$ 2,016,368	\$ 2,139,930	\$ 123,562
5800	State program	-	-	29,296	29,296
5020	Total revenues	2,016,368	2,016,368	2,169,226	152,858
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	650,000	2,150,000	2,150,000	-
0072	Interest on long-term debt	801,048	841,478	830,776	10,702
0073	Bond issuance costs and fees	3,500	22,800	20,600	2,200
6030	Total expenditures	1,454,548	3,014,278	3,001,376	12,902
1100	Excess (deficiency) of revenues over (under) expenditures	561,820	( 997,910)	( 832,150)	165,760
0100	Fund balance - Beginning	1,285,533	1,285,533	1,285,533	-
3000	Fund balance - Ending	\$ 1,847,353	\$ 287,623	\$ 453,383	\$ 165,760

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## **FEDERAL AWARDS AND OTHER COMPLIANCE SECTION**

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**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**

Board of Trustees  
Bellville Independent School District  
Bellville, Texas

We have audited, in accordance with the 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 Bellville Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Bellville Independent School District's basic financial statements, and have issued our report thereon dated November 15, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Bellville Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 Bellville Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bellville Independent School 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque

## ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Bellville Independent School 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 financial statements. 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*.

## **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.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
November 15, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Trustees  
Bellville Independent School District  
Bellville, Texas

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

We have audited Bellville Independent School District's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Bellville Independent School District's major federal programs for the year ended August 31, 2021. Bellville Independent School 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 Bellville Independent School 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 Bellville Independent School 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 Bellville Independent School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Bellville Independent School 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.

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**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque

## Report on Internal Control over Compliance

Management of Bellville Independent School 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 Bellville Independent School 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 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 Bellville Independent School 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas  
November 15, 2021

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED AUGUST 31, 2021**

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<b>U . S. DEPARTMENT OF AGRICULTURE</b>			
Passed through the Texas Education Agency:			
School Breakfast Program (SBP)	10.553	71402001	\$ 9,849
School Breakfast Program (SBP)	10.553	71402101	134,287
National School Lunch Program (NSLP)	10.555	71302001	51,114
National School Lunch Program (NSLP)	10.555	71302101	<u>688,850</u>
Total Passed through the Texas Education Agency			<u>884,100</u>
Passed through the Texas Department of Agriculture:			
National School Lunch Program Commodities - Non-cash assistance	10.555	CE 00026	75,154
NSLP Commodities - Child Nutrition EOC - COVID-19	10.555	CE 00026	<u>22,074</u>
Total Passed through the Texas Department of Agriculture			<u>97,228</u>
Total Child Nutrition Cluster			<u>981,328</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<u>981,328</u>
<b>U . S. DEPARTMENT OF TREASURY</b>			
Passed through the Texas Education Agency:			
Coronavirus Relief Fund - COVID-19	21.019	52202002	<u>170,786</u>
Total Passed through the Texas Education Agency			<u>170,786</u>
Passed through Texas Division of Emergency Management:			
Coronavirus Relief Fund - COVID-19	21.019	FEMA-LEA2020-SPA-TX	<u>14,361</u>
Total Passed through the Texas Division of Emergency Management			<u>14,361</u>
Passed through Austin County, Texas:			
Coronavirus Relief Fund - COVID-19	21.019	52202002	<u>56,929</u>
Total Passed through Austin County, Texas			<u>56,929</u>
Subtotal for 21.019			<u>242,076</u>
<b>TOTAL U. S. DEPARTMENT OF TREASURY</b>			<u>242,076</u>
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Passed through the Texas Education Agency:			
IDEA B Formula - Special Education Grants to States	84.027A	216600010089016600	420,218
IDEA B High Cost - Special Education Grants to States	84.027A	66002006	85,110
IDEA Preschool - Special Education Preschool Grants	84.173A	216610010089016610	<u>7,949</u>
Total Special Education (IDEA) Cluster			<u>513,277</u>
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101008901	37,492
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101008901	<u>511,344</u>
Subtotal for 84.010			<u>548,836</u>
Career and Technical Education - Basic Grants to States	84.048A	21420006008901	25,466
Title V, Part B: Rural and Low-Income School Program	84.358B	21696001008901	42,856
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	20694501008901	8,019
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	21694501008901	<u>70,370</u>
Subtotal for 84.367			<u>78,389</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED AUGUST 31, 2021**

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Passed through the Texas Education Agency:			
Instructional Continuity - School Improvement Program	84.377A	17610740008901	10,500
Title IV, Part A	84.424A	20680101008901	7,617
Title IV, Part A	84.424A	21680101008901	<u>28,913</u>
Subtotal for 84.424			<u>36,530</u>
Elementary and Secondary School Emergency Relief (ESSER) I - COVID-19	84.425D	20521001008901	424,371
Elementary and Secondary School Emergency Relief (ESSER) I - Prior Purchase Reimbursement Program (PPRP) - COVID-19	84.425D	52102035	147,078
Elementary and Secondary School Emergency Relief (ESSER) III - COVID-19	84.425U	21528001008901	<u>42,280</u>
Subtotal for 84.425			<u>613,729</u>
Total Passed through the Texas Education Agency			<u>1,869,583</u>
Passed through Education Service Center Region 6:			
Title III, Part A - English Language Acquisition	84.365A	21671001236950	<u>7,214</u>
Subtotal for 84.365			<u>7,214</u>
Total Passed through Education Service Center Region 6			<u>7,214</u>
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u>1,876,797</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Texas Division of Emergency Management:			
Disaster Grants - Public Assistance Grant	97.036	FEMA-4332-DR-TX	<u>360,381</u>
Total Passed through Texas Division of Emergency Management			<u>360,381</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>360,381</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program - MAC	93.778	529-10-0054-00001	<u>10,238</u>
Total Passed through Texas Health and Human Services Commission			<u>10,238</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>10,238</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ <u>3,470,820</u>

## **BELLVILLE INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

AUGUST 31, 2021

#### **GENERAL**

The Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all applicable federal award programs of Bellville Independent School District. The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the SEFA.

#### **BASIS OF ACCOUNTING**

The SEFA is presented using the modified accrual basis of accounting. The District's significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

#### **PASS-THROUGH EXPENDITURES**

None of the federal programs expended by the District were provided to subrecipients.

#### **INDIRECT COSTS**

The District did not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

#### **EXPENDITURES REPORTED IN PRIOR PERIOD FINANCIAL STATEMENTS**

Expenditures of \$360,381 for Disaster Grant - Public Assistance Grant (FEMA-4332-DR-TX) and \$14,361 for Coronavirus Relief Fund (CRF-FEMA-LEA2020-SPA-TX) were incurred in a previous year but are reported on the Schedule of Expenditures of Federal Awards for the year ended August 31, 2021. The Project Worksheet (PW) for the Disaster Grant was approved in fiscal year 2021 and the CRF funding was awarded in fiscal year 2021.

#### **RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 3,233,450
Elementary and Secondary School Emergency Relief (ESSER) I revenues and expenditures were recognized in the financial statements in fiscal year 2020 due to the likelihood of the District being reimbursed, but the ESSER I funds were not awarded by TEA until fiscal year 2021. Therefore, the amount is reported on the SEFA in fiscal year 2021.	369,707
FEMA approved a project worksheet (FEMA-4332-DR-TX) in the current year; therefore, the District included the approved amount on the SEFA in fiscal year 2021. Revenue was not recognized in the fund financial statements because the reimbursement was not received within the District's availability period for revenue recognition purposes.	360,381
School health and related services revenue - not reported on SEFA	<u>(492,718)</u>
Federal expenditures per the SEFA (Exhibit K-1)	\$ <u>3,470,820</u>

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED AUGUST 31, 2021**

**Summary of Auditor's Results**

**Financial Statements:**

Type of auditor's report issued Unmodified

**Internal control over financial reporting:**

Material weakness(es) identified? No

Significant deficiency(ies) identified,  
that were not considered a material weakness None reported

Material noncompliance to the  
financial statements noted? None

**Federal Awards:**

**Internal control over major programs:**

Material weakness(es) identified? No

Significant deficiency(ies) identified,  
that were not considered a material weakness None reported

Type of auditor's report on compliance  
for major programs Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with 2 CFR 200.516(a)? None

**Identification of major programs:**

**Assistance Listing Numbers:**

21.019

84.425

**Name of Federal Program or Cluster:**

Coronavirus Relief Fund - COVID-19

Elementary & Secondary School

Emergency Relief (ESSER) - COVID-19

Dollar threshold used to distinguish between type A  
and type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

**Findings Relating to the Financial Statements Which are Required to be Reported in  
Accordance With Generally Accepted Government Auditing Standards**

None

**Findings and Questioned Costs for Federal Awards**

None

**BELLVILLE INDEPENDENT SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE YEAR ENDED AUGUST 31, 2021**

None.

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
FOR THE YEAR ENDED AUGUST 31, 2021

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ <u>          -          </u>