

Eanes Independent School District

**Annual Financial Report
for the Fiscal Year Ended
June 30, 2021**



Eanes Independent School District

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Certificate of Board

Eanes Independent School District

Name of School District

Travis

County

227909

Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ___ disapproved for the year ended June 30, 2021 at a meeting of the Board of Trustees of such school district on the 14 day of December, 2021.



Signature of Board Secretary



Signature of Board President

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

Financial Section



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Accountants and Consultants

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Round Rock, TX 78664

Independent Auditors' Report

The Board of Trustees of
Eanes Independent School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eanes Independent School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability, the schedule of District contributions - pensions, the schedule of the District's proportionate share of the net OPEB liability, the schedule of District contributions - OPEB, and the note to the required supplementary information on pages 5 through 14, 58, 59, 60, 61, and 62, respectively, 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 the District's basic financial statements. The combining and individual fund statements and schedules, other schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, other 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 and individual fund statements and schedules, other 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Maxwell Locke & Ritter LLP

Austin, Texas
December 7, 2021

Eanes Independent School District Management's Discussion and Analysis

This section of Eanes Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

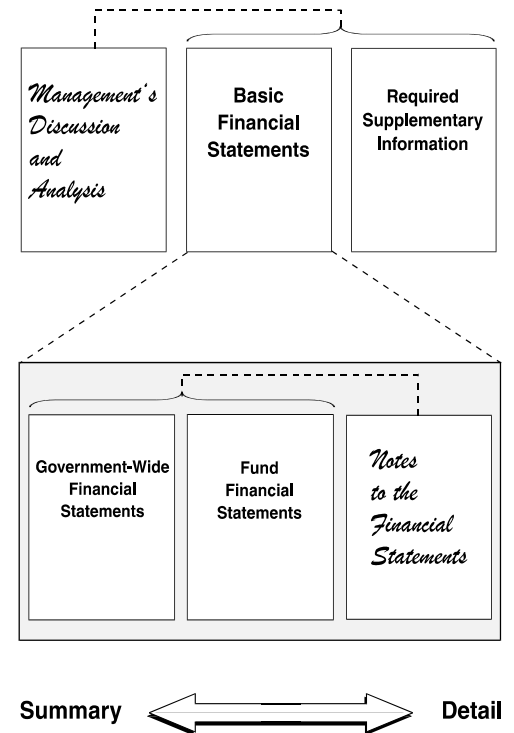
- The District's total combined net position was \$69.6 million at June 30, 2021, an increase of \$2.4 million from the prior year. In other words, during the year ended June 30, 2021, the District generated \$2.4 million more in taxes and other revenues than the \$208.8 million in expenses for governmental and business-type activities.
- The General Fund reported a fund balance at June 30, 2021 of \$25.4 million which is a \$0.4 million increase from the prior year. Of the total General Fund fund balance, \$23.1 million or 91% is considered unassigned fund balance and may be used to meet the District's ongoing obligations.
- On September 9, 2020, the District issued \$6,325,000 in Unlimited Tax School Building Bonds, Taxable Series 2020T, for the construction, acquisition, rehabilitation, renovation, expansion, improvement, and equipment of school buildings in the District, including safety and security improvements; student programs and support, including technology systems and equipment; instructional, co-curricular and extra-curricular spaces, including robotics, wrestling and aquatics; promotion of energy efficiency and conservation; facility systems and site improvements throughout the District; the purchase of new school buses, and paying the costs of issuance of the bonds.
- On September 9, 2020 the District issued \$18,455,000 in Unlimited Tax School Building and Refunding Bonds, Series 2020A, for i) the construction, acquisition, rehabilitation, renovation, expansion, improvement, and equipment of school buildings in the District, including safety and security improvements; student programs and support, including technology systems and equipment; instructional, co-curricular and extra-curricular spaces, including robotics, wrestling and aquatics; promotion of energy efficiency and conservation; facility systems and site improvements throughout the District; the purchase of new school buses, ii) current refunding \$17,470,000 of previously issued bonds in order to lower its overall debt requirements, and iii) paying the costs of issuance of the bonds.

Overview of the Financial Statements

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- 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.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as food service.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or fiduciary* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Certain information required by the Texas Education Agency and the federal government regarding tax collection and grant expenditures is also presented along with required supplementary information related to the District's contributions to a cost-sharing pension and OPEB plan with the Teacher Retirement System of Texas.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District (except fiduciary funds) and the District's component units	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or fiduciary for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses & changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and deferred outflows and liabilities and deferred inflows, both financial and capital, short-term and long-term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets included	All assets and deferred outflows and liabilities and deferred inflows, both financial and capital, and short term and long-term	All assets and deferred outflows and liabilities and deferred inflows, both short-term and long-term; the funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide 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 government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 two government-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources - 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 nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental Activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

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 accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by State law and by bond covenants.

- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

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 explain the relationship (or differences) between them.
- *Proprietary funds* - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these resources to finance its operations.

Financial Analysis of the District as a Whole

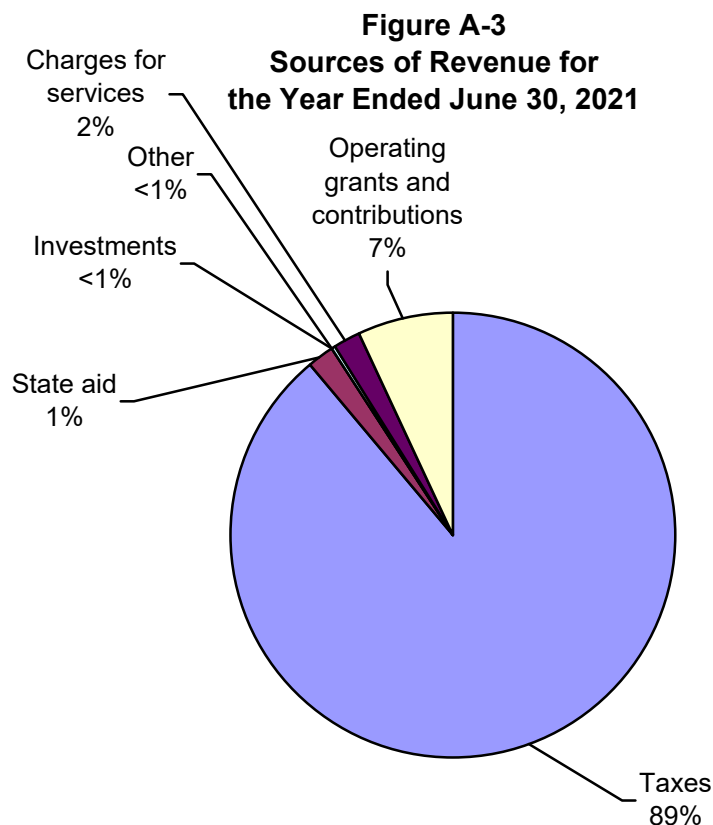
Net position - The District's combined net position was \$69.6 million as of June 30, 2021 (see Table A-1).

Table A-1
The District's Net Position
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	
Current and other assets	\$ 214.8	231.5	\$ 2.0	2.3	\$ 216.8	233.8	(7.3%)
Capital and non-current	187.6	175.7	0.8	0.8	188.4	176.5	6.7%
Total assets	402.4	407.2	2.8	3.1	405.2	410.3	(1.2%)
Deferred outflows	15.5	19.9	-	-	15.5	19.9	(22.1%)
Current liabilities	134.6	134.2	0.8	0.7	135.4	134.9	0.4%
Non-current liabilities	193.1	210.6	-	-	193.1	210.6	(8.3%)
Total liabilities	327.7	344.8	0.8	0.7	328.5	345.5	(4.9%)
Deferred inflows	22.6	17.4	-	-	22.6	17.4	29.9%
Net position:							
Net investment in capital assets	64.3	59.4	0.8	0.8	65.1	60.2	8.1%
Restricted	29.7	31.7	-	-	29.7	31.7	(6.3%)
Unrestricted	(26.4)	(26.2)	1.2	1.6	(25.2)	(24.6)	(2.4%)
Total net position	\$ 67.6	64.9	\$ 2.0	2.4	\$ 69.6	67.3	3.4%

Net position - Net investment in capital assets reflects the book value of the District's capital assets and is \$65.0 million more than the debt which financed those assets.

Changes in net position - The District's total revenues were \$211.2 million. A significant portion, 89 percent, of the District's revenue comes from taxes (See Figure A-3); 2 percent comes from state aid - formula grants, 2 percent relates to charges for services, and 7 percent comes from operating grants and contributions.



Governmental Activities

Property tax rates decreased from prior year from \$1.130 to \$1.1164 per \$100 valuation. However, as a result of increasing appraised values of property within the District's tax jurisdiction, there was an increase of approximately \$4.9 million in tax revenues to approximately \$187.8 million for the year ended June 30, 2021, up from approximately \$182.9 million in 2020. Overall, the District's net position increased by approximately \$2.4 million during the year ended June 30, 2021 compared to a decrease of approximately \$4.7 million for the year ended June 30, 2020. Key elements of these changes are as follows: increase in net position for fiscal year ending June 30, 2021 from the additional property tax revenue noted above.

Table A-2
The District's Change in Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2021	2020	2021	2020	2021	2020	
<u>Program revenues:</u>							
Charges for services	\$ 0.8	1.2	\$ 3.2	6.1	\$ 4.0	7.3	(45.2%)
Operating grants and contributions	14.1	18.6	0.4	0.1	14.5	18.7	(22.5%)
<u>General revenues:</u>							
Property taxes	187.8	182.9	-	-	187.8	182.9	2.7%
State aid formula grants	3.9	3.1	-	-	3.9	3.1	25.8%
Investment earnings and other	1.0	2.9	-	-	1.0	2.9	(65.5%)
Total revenues	207.6	208.7	3.6	6.2	211.2	214.9	(1.7%)
<u>Expenses:</u>							
Instruction	64.7	74.2	-	-	64.7	74.2	(12.8%)
Instructional resources and media services	1.4	1.5	-	-	1.4	1.5	(6.7%)
Student support services	18.5	19.7	2.5	3.4	21.0	23.1	(9.1%)
General administration	4.1	3.9	-	-	4.1	3.9	5.1%
Support services	11.9	11.9	-	-	11.9	11.9	0.0%
Community services	0.2	0.2	1.9	2.5	2.1	2.7	(22.2%)
Interest on long-term debt and other debt service	1.0	5.1	-	-	1.0	5.1	(80.4%)
Facilities acquisition and construction	-	0.1	-	-	-	0.1	(100.0%)
Contracted instructional services between schools	101.8	96.3	-	-	101.8	96.3	5.7%
Other	0.8	0.8	-	-	0.8	0.8	0.0%
Total expenses	204.4	213.7	4.4	5.9	208.8	219.6	(4.9%)
Transfers	(0.4)	0.5	0.4	(0.5)	-	-	0.0%
Change in net position	<u>\$ 2.8</u>	<u>(4.5)</u>	<u>\$ (0.4)</u>	<u>(0.2)</u>	<u>\$ 2.4</u>	<u>(4.7)</u>	<u>151.1%</u>

The cost of all *governmental* activities for the year ended June 30, 2021 was \$204.4 million. However, the amount that our taxpayers paid for these activities through property taxes was only \$187.8 million. Some of the cost was paid by those who directly benefited from the programs (\$0.8 million) or by grants and contributions (\$14.1 million). The total cost of all programs and services (including business-type activities) was \$208.8 million; 32 percent of these costs were for instructional related services.

Table A-3 presents the cost of each of the District's largest governmental functions for the years ended June 30, 2021 and 2020, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by State revenues as well as local tax dollars.

Table A-3
Net Cost of Selected District Functions
(in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2021	2020	% Change	2021	2020	% Change
Instruction	\$ 64.7	74.2	(12.8%)	\$ 54.6	61.4	(11.1%)
School leadership	4.5	4.7	(4.3%)	4.1	4.2	(2.4%)
Guidance, counseling, and evaluation services	3.5	3.8	(7.9%)	2.1	2.3	(8.7%)
General administration	4.1	3.9	5.1%	3.9	3.6	8.3%
Interest on long-term debt and other debt service	1.0	5.1	(80.4%)	1.0	5.1	(80.4%)
Facilities maintenance and operations	9.0	9.0	0.0%	8.7	8.5	2.4%
Contracted instructional services between schools	101.8	96.3	5.7%	101.8	96.3	5.7%

Business-type Activities

Revenues of the District's business-type activities decreased to \$3.6 million from \$6.2 million. For the Child Nutrition Fund, revenues decreased by approximately \$1.4 million while expenses decreased by approximately \$0.9 million, which resulted in a decrease in net position of approximately \$123,000 compared to a decrease last year of approximately \$151,000. The remaining business-type revenues decreased by approximately \$1.4 million and expenses decreased by approximately \$629,000 or 25 percent. Coupled with net transfers out of approximately \$358,000, this resulted in a decrease in net position for the remaining business-type funds of approximately \$288,000.

Financial Analysis of the District's Funds

Revenues from governmental funds totaled \$206.3 million, an increase of 0.7 percent from the preceding year. The \$2.6 million increase in local revenues is a result of an increase in property tax values. State and federal revenues decreased by approximately \$1.6 million from the preceding year due to a decrease in operating grants. Recapture costs increased as reflected through expenditures in the General Fund.

General Fund Budgetary Highlights

The District revised its General Fund budget over the course of the year. Even with the adjustments, actual expenditures were approximately \$3.1 million below final budget amounts for the General Fund. The most significant positive variance resulted from instruction. Overall, resources available at the end of the year were approximately \$4.2 million more than the final budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the District had \$188.4 million invested in a broad range of capital assets, including land and land improvements, construction in progress, furniture and equipment, and buildings and improvements (See Table A-4). This amount represents a net increase (including additions and deductions) of approximately \$11.8 million or 6.7 percent compared to last year. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table A-4
The District's Capital Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	
Land and land improvements	\$ 21.2	21.2	\$ -	\$ -	\$ 21.2	21.2	0.0%
Construction in progress	18.2	4.8	-	-	18.2	4.8	279.2%
Buildings and improvements	283.2	277.3	0.2	0.1	283.4	277.4	2.2%
Furniture and equipment	42.3	38.7	1.9	1.9	44.2	40.6	8.9%
Totals at historical cost	364.9	342.0	2.1	2.0	367.0	344.0	6.7%
Accumulated depreciation	(177.3)	(166.3)	(1.3)	(1.2)	(178.6)	(167.5)	6.6%
Net capital assets	<u>\$ 187.6</u>	<u>175.7</u>	<u>\$ 0.8</u>	<u>\$ 0.8</u>	<u>\$ 188.4</u>	<u>176.5</u>	<u>6.7%</u>

Long Term Debt

At June 30, 2021, the District had \$164.1 million in bonds and other long-term liabilities outstanding as shown in Table A-5. The District's bonds presently carry "AAA" ratings with underlying ratings as follows: Standard & Poor's "AA+" and Fitch "AA". More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-5
The District's Long-Term Debt
(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2021	2020	
Bonds, premiums, and accretion payable	\$ 163.3	174.1	(6.2%)
Compensated absences	0.8	0.8	0.0%
Total long-term debt	<u>\$ 164.1</u>	<u>174.9</u>	<u>(6.2%)</u>

Economic Factors and Next Year's Budgets and Rates

- Certified net taxable property value increased for tax year 2021 to \$16.0 billion, an increase of 8.1 percent.
- Estimated recapture of tax revenues through the purchase of attendance credits is \$102.6 million for 2022, up from \$101.8 million in 2021.
- The General Fund budget for operating expenditures per student is approximately \$10,100 per pupil for 2022. Recapture expenditures are estimated at approximately \$12,600 per student.
- The District is anticipating a slight increase in enrollment and average daily attendance for 2022.

These indicators were taken into account when adopting the General Fund budget for 2022. In the original approved budget, estimated revenues for 2022 are approximately \$184.3 million. Expenditures of approximately \$185.3 million are budgeted, including \$102.6 million for recapture. If these original estimates are realized, the District's budgetary fund balance is expected to decrease approximately \$1.0 million.

Beginning with the 2019-2020 fiscal year, the 86th Legislative Session brought significant changes to the Texas school finance system including some increased funding and significant property tax rate compression. As a result, the District built their budget on an operating tax rate of \$0.9408 and a debt service tax rate of \$0.1200 for the 2021-2022 fiscal year. This results in a reduction of 5.56 cents per \$100 valuation.

The District provided raises of 2% of midpoint for all employees and maintained the insurance contribution of \$473 per month for all employees who participate in the health insurance program.

Due to the Coronavirus pandemic, on March 26, 2020, the District shifted to fully online learning for all students through the end of the school year. This shift resulted in significant changes to all aspects of school operations, many of which had a financial impact on the District. The most significant impacts were not in additional expenditures for cleaning supplies or personal protective equipment, but in revenue loss. The District made the decision to keep all employees on the payroll, including cafeteria workers, childcare providers, bus drivers, and other personnel who could not perform their duties remotely. Consequently, the District saw a loss in revenue in food service, daycare, after-school programs, and facility rentals without a corresponding decrease in expenses. For the entirety of the 2020-21 school year, the District reopened for in-person learning but continued to offer remote learning for all students. Losses in enterprise fund revenue continued compared to its historical norm. Additionally, the District has experienced an enrollment drop of about 3% since the beginning of the pandemic, which is consistent with what other Central Texas school districts have experienced. TEA provided an ADA hold-harmless for the 2020-21 school year, but the enrollment drop will impact FSP revenue in the current school year.

As part of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, the District received funding from the Elementary and Secondary School Emergency Relief Fund (ESSER) in the amount of \$326,609. The ESSER grant is a federal fund source that is separate from the Foundation School Program (FSP) allotment. However, because ESSER funding is used as a method of finance for the 2020-2021 ADA Hold Harmless, local educational agencies (LEA) must combine the ESSER grant with the remainder of the normal FSP allotment in order to account for the total FSP allotment. Utilizing ESSER funds as a method of finance will assist in maintaining state funding for future years. If an LEA did not apply for the ESSER grant, it would result in a net loss of overall revenue.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department, 601 Camp Craft Road, Austin, Texas 78746.

Basic Financial Statements

Eanes Independent School District
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 210,437,277	1,988,945	212,426,222
Receivables:			
Property taxes - delinquent	4,256,723	-	4,256,723
Allowance for uncollectible taxes	(2,477,426)	-	(2,477,426)
Due from other governments	2,036,560	251,330	2,287,890
Internal balances	316,322	(316,322)	-
Due from fiduciary funds	29	-	29
Other receivables	13,844	75,234	89,078
Inventories, at cost	107,544	32,964	140,508
Prepaid items	138,963	12,420	151,383
Capital assets (net of accumulated depreciation):			
Land and land improvements	21,215,260	9,625	21,224,885
Construction in progress	18,172,730	-	18,172,730
Buildings and improvements	137,238,106	44,358	137,282,464
Furniture and equipment	11,009,506	695,791	11,705,297
Total assets	402,465,438	2,794,345	405,259,783
Deferred Outflows of Resources:			
Deferred charges on bond refundings	2,117,209	-	2,117,209
Pension contributions after measurement date	1,375,549	-	1,375,549
Deferred outflows related to pension liability	7,358,858	-	7,358,858
OPEB contributions after measurement date	365,541	-	365,541
Deferred outflows related to OPEB liability	4,333,449	-	4,333,449
Total deferred outflows of resources	15,550,606	-	15,550,606
Liabilities:			
Current liabilities:			
Accounts payable	3,978,540	11,397	3,989,937
Payroll deductions and withholdings payable	1,422,829	84,379	1,507,208
Accrued wages payable	6,712,752	259,999	6,972,751
Due to other governments	101,813,483	-	101,813,483
Unearned revenue	2,422,950	442,160	2,865,110
Bond interest payable	2,371,757	-	2,371,757
Bonds payable	15,880,000	-	15,880,000
Noncurrent liabilities:			
Bonds payable	146,550,794	-	146,550,794
Accretion payable	883,496	-	883,496
Compensated absences	816,722	-	816,722
Net pension liability	21,617,244	-	21,617,244
Net OPEB liability	23,260,044	-	23,260,044
Total liabilities	327,730,611	797,935	328,528,546
Deferred Inflows of Resources:			
Deferred inflows related to pension liability	4,389,869	-	4,389,869
Deferred inflows related to OPEB liability	18,255,326	-	18,255,326
Total deferred inflows of resources	22,645,195	-	22,645,195
Net Position:			
Net investment in capital assets	64,305,010	749,774	65,054,784
Restricted for:			
Debt service	21,115,383	-	21,115,383
Authorized construction	8,578,979	-	8,578,979
Unrestricted	(26,359,134)	1,246,636	(25,112,498)
Total net position	\$ 67,640,238	1,996,410	69,636,648

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	\$ 64,655,449	106,848	9,973,111	(54,575,490)	-	(54,575,490)
Instructional resources and media services	1,428,848	-	95,675	(1,333,173)	-	(1,333,173)
Curriculum and staff development	1,906,238	-	308,438	(1,597,800)	-	(1,597,800)
Instructional leadership	1,645,428	-	125,619	(1,519,809)	-	(1,519,809)
School leadership	4,470,816	-	385,480	(4,085,336)	-	(4,085,336)
Guidance, counseling, and evaluation services	3,518,218	-	1,369,803	(2,148,415)	-	(2,148,415)
Social work services	135,291	-	10,896	(124,395)	-	(124,395)
Health services	898,995	-	60,708	(838,287)	-	(838,287)
Student transportation	2,178,377	-	149,411	(2,028,966)	-	(2,028,966)
Food services	711,389	-	338,386	(373,003)	-	(373,003)
Extracurricular activities	3,160,647	647,013	572,594	(1,941,040)	-	(1,941,040)
General administration	4,101,938	-	232,332	(3,869,606)	-	(3,869,606)
Facilities maintenance and operations	9,044,033	-	371,332	(8,672,701)	-	(8,672,701)
Security and monitoring services	591,187	-	19,293	(571,894)	-	(571,894)
Data processing services	2,266,156	-	103,318	(2,162,838)	-	(2,162,838)
Community services	153,570	-	11,507	(142,063)	-	(142,063)
Interest on long-term debt	687,919	-	-	(687,919)	-	(687,919)
Other debt service	347,218	-	-	(347,218)	-	(347,218)
Facilities acquisition and construction	-	-	4,417	4,417	-	4,417
Contracted instructional services between schools	101,773,796	-	-	(101,773,796)	-	(101,773,796)
Other intergovernmental charges	768,290	-	-	(768,290)	-	(768,290)
Total governmental activities	\$ 204,443,803	753,861	14,132,320	(189,557,622)	-	(189,557,622)
Business-type activities:						
Food services	\$ 2,530,798	1,556,805	125,293	-	(848,700)	(848,700)
Community services	1,871,769	1,701,190	240,807	-	70,228	70,228
Total business-type activities	\$ 4,402,567	3,257,995	366,100	-	(778,472)	(778,472)
Total primary government	\$ 208,846,370	4,011,856	14,498,420	(189,557,622)	(778,472)	(190,336,094)
General revenues:						
Property taxes, levied for general purposes				\$ 167,608,835	-	167,608,835
Property taxes, levied for debt service				20,199,362	-	20,199,362
State aid formula grants				3,867,843	-	3,867,843
Investment earnings				240,429	-	240,429
Miscellaneous				776,021	-	776,021
Transfers				(367,714)	367,714	-
Total general revenues and other				192,324,776	367,714	192,692,490
Change in net position				2,767,154	(410,758)	2,356,396
Net position - beginning				64,873,084	2,407,168	67,280,252
Net position - ending				\$ 67,640,238	1,996,410	69,636,648

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District

Balance Sheet

Governmental Funds

June 30, 2021

	General Fund	Debt Service Fund	Major Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 135,600,558	23,215,746	38,081,096	13,234,157	210,131,557
Receivables:					
Property taxes - delinquent	3,730,050	526,673	-	-	4,256,723
Allowance for uncollectible taxes	(2,145,840)	(331,586)	-	-	(2,477,426)
Due from other governments	1,092,999	-	-	943,561	2,036,560
Due from other funds	1,067,315	76,307	-	-	1,143,622
Other receivables	13,844	-	-	-	13,844
Inventories, at cost	107,544	-	-	-	107,544
Prepaid items	137,728	-	-	1,235	138,963
Total assets	<u>\$ 139,604,198</u>	<u>23,487,140</u>	<u>38,081,096</u>	<u>14,178,953</u>	<u>215,351,387</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable	\$ 433,115	-	2,478,932	1,066,493	3,978,540
Payroll deductions and withholdings payable	1,388,180	-	180	34,469	1,422,829
Accrued wages payable	6,526,637	-	448	185,667	6,712,752
Due to other governments	101,813,483	-	-	-	101,813,483
Due to other funds	76,307	-	72,065	678,899	827,271
Unearned revenue	2,422,000	-	-	950	2,422,950
Total liabilities	<u>112,659,722</u>	<u>-</u>	<u>2,551,625</u>	<u>1,966,478</u>	<u>117,177,825</u>
Deferred inflows of resources-					
Deferred revenue - property taxes	<u>1,584,210</u>	<u>195,087</u>	<u>-</u>	<u>-</u>	<u>1,779,297</u>
Fund balances:					
Nonspendable:					
Inventories	107,544	-	-	-	107,544
Prepaid items	137,728	-	-	10	137,738
Restricted for:					
Debt service	-	23,292,053	-	-	23,292,053
Authorized construction	-	-	35,529,471	10,032,501	45,561,972
Committed to-					
Campus activities	-	-	-	1,222,753	1,222,753
Assigned to:					
2021-22 budget deficit	1,010,737	-	-	-	1,010,737
Compensated absences	816,722	-	-	-	816,722
Encumbered for 2021-22	170,926	-	-	-	170,926
Special revenue funds	-	-	-	957,211	957,211
Unassigned	23,116,609	-	-	-	23,116,609
Total fund balances	<u>25,360,266</u>	<u>23,292,053</u>	<u>35,529,471</u>	<u>12,212,475</u>	<u>96,394,265</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 139,604,198</u>	<u>23,487,140</u>	<u>38,081,096</u>	<u>14,178,953</u>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds	187,635,602
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	1,779,297
The assets and liabilities of the Internal Service Fund are distributed in the statement of activities but are not considered part of the governmental funds	305,720
The following liabilities and deferred inflows and outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, including premiums	(162,430,794)
Less: Deferred charges on bond refundings	2,117,209
Interest payable	(2,371,757)
Accretion payable	(883,496)
Compensated absences	(816,722)
Net pension liability	(21,617,244)
Net OPEB liability	(23,260,044)
Pension contributions after measurement date	1,375,549
Deferred outflows related to pension liability	7,358,858
Deferred inflows related to pension liability	(4,389,869)
OPEB contributions after measurement date	365,541
Deferred outflows related to OPEB liability	4,333,449
Deferred inflows related to OPEB liability	(18,255,326)
Net position of governmental activities	<u>\$ 67,640,238</u>

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Debt Service Fund	Major Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Local and intermediate sources	\$ 171,847,513	20,394,278	77,352	1,910,514	194,229,657
State program revenues	8,396,221	96,890	-	318,171	8,811,282
Federal program revenues	747,059	-	-	2,502,974	3,250,033
Total revenues	180,990,793	20,491,168	77,352	4,731,659	206,290,972
Expenditures:					
Current:					
Instruction	47,192,731	-	3,234,458	2,227,498	52,654,687
Instructional resources and media services	902,383	-	-	29,700	932,083
Curriculum and staff development	1,664,314	-	-	182,292	1,846,606
Instructional leadership	1,540,623	-	-	-	1,540,623
School leadership	4,050,634	-	-	58,507	4,109,141
Guidance, counseling, and evaluation services	2,156,675	-	-	1,203,384	3,360,059
Social work services	130,141	-	-	-	130,141
Health services	822,008	-	-	10,838	832,846
Student transportation	2,052,167	-	698,617	22,403	2,773,187
Food services	162,121	-	-	329,145	491,266
Extracurricular activities	2,516,246	-	86,819	536,762	3,139,827
General administration	3,812,343	-	20,316	27,970	3,860,629
Facilities maintenance and operations	8,205,330	-	1,061,064	251,569	9,517,963
Security and monitoring services	541,170	-	46,709	5,799	593,678
Data processing services	1,840,144	-	1,300,173	55,265	3,195,582
Community services	148,131	-	-	-	148,131
Debt service:					
Principal on long-term debt	-	16,815,000	-	-	16,815,000
Interest on long-term debt	-	5,857,926	-	-	5,857,926
Other debt service expenditures	-	163,395	66,626	117,197	347,218
Facilities acquisition and construction	-	-	15,506,086	5,445,113	20,951,199
Intergovernmental:					
Contracted instructional services between schools	101,773,796	-	-	-	101,773,796
Other intergovernmental charges	768,290	-	-	-	768,290
Total expenditures	180,279,247	22,836,321	22,020,868	10,503,442	235,639,878
Excess (deficiency) of revenues over (under) expenditures	711,546	(2,345,153)	(21,943,516)	(5,771,783)	(29,348,906)
Other Financing Sources (Uses):					
Payment to refunded bond escrow agent	-	(17,580,155)	-	-	(17,580,155)
Issuance of bonds	-	7,773	3,689,705	6,322,522	10,020,000
Issuance of refunding bonds	-	14,760,000	-	-	14,760,000
Premium on sale of bonds	-	2,965,478	876,921	294,674	4,137,073
Other sources	90,672	-	-	-	90,672
Transfers in	357,733	-	-	-	357,733
Transfers out	(725,447)	-	-	-	(725,447)
Total other financing sources (uses), net	(277,042)	153,096	4,566,626	6,617,196	11,059,876
Net change in fund balances	434,504	(2,192,057)	(17,376,890)	845,413	(18,289,030)
Fund balances--beginning	24,925,762	25,484,110	52,906,361	11,367,062	114,683,295
Fund balances--ending	\$ 25,360,266	23,292,053	35,529,471	12,212,475	96,394,265

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ (18,289,030)

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.

Capital outlay	24,503,767
Depreciation expense	(12,617,257)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred tax revenue	134,494
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The revenues and expenses of the Internal Service Fund are distributed in the statement of net activities and it is not considered a governmental fund.

The difference is the amount of operating income.	3,003
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Bond proceeds provide 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.

Bond proceeds, including premiums	(28,917,073)
Payment to refunded bond escrow agent	17,580,155
Repayment of bond principal	16,815,000

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.

Change in bond interest payable	231,811
Change in accretion payable	(26,025)
Amortization of deferred charges on bond refundings	(479,197)
Amortization of bond premiums	5,443,418
Change in compensated absences	(28,034)
Pension contributions made during the measurement year	1,665,361
OPEB contributions made during the measurement year	465,104
Change in pension contributions made after the measurement date	(22,478)
Change in OPEB contributions made after the measurement date	(7,311)
Proportionate share of collective pension expense	(325,597)
Proportionate share of collective OPEB expense	5,886,242
Adjustment for ending deferred inflows and outflows related to net pension liability	(3,571,497)
Adjustment for ending deferred inflows and outflows related to net OPEB liability	(5,677,702)

Change in net position of governmental activities	\$ 2,767,154
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The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Local and intermediate sources	\$ 167,328,854	172,102,570	171,847,513	(255,057)
State program revenues	8,004,809	7,858,051	8,396,221	538,170
Federal program revenues	680,000	680,000	747,059	67,059
Total revenues	176,013,663	180,640,621	180,990,793	350,172
Expenditures:				
Current:				
Instruction	48,773,356	48,700,211	47,192,731	1,507,480
Instructional resources and media services	947,493	923,736	902,383	21,353
Curriculum and staff development	1,918,765	1,806,083	1,664,314	141,769
Instructional leadership	1,589,133	1,588,583	1,540,623	47,960
School leadership	3,980,015	4,067,133	4,050,634	16,499
Guidance, counseling, and evaluation services	2,314,790	2,308,447	2,156,675	151,772
Social work services	157,508	137,508	130,141	7,367
Health services	795,206	852,775	822,008	30,767
Student transportation	2,268,760	2,236,492	2,052,167	184,325
Food services	221,883	172,586	162,121	10,465
Extracurricular activities	2,627,742	2,629,247	2,516,246	113,001
General administration	3,680,490	3,913,519	3,812,343	101,176
Facilities maintenance and operations	8,983,203	9,103,479	8,205,330	898,149
Security and monitoring services	581,779	562,020	541,170	20,850
Data processing services	1,904,033	1,904,033	1,840,144	63,889
Community services	190,352	175,902	148,131	27,771
Intergovernmental:				
Contracted instructional services between schools	99,593,596	101,440,256	101,773,796	(333,540)
Other intergovernmental charges	830,000	830,000	768,290	61,710
Total expenditures	181,358,104	183,352,010	180,279,247	3,072,763
Excess (deficiency) of revenues over (under) expenditures	(5,344,441)	(2,711,389)	711,546	3,422,935
Other Financing Sources (Uses):				
Other sources	-	132,939	90,672	(42,267)
Transfers in	1,400,000	357,733	357,733	-
Transfers out	-	(1,500,000)	(725,447)	774,553
Total other financing sources (uses), net	1,400,000	(1,009,328)	(277,042)	732,286
Net change in fund balance	(3,944,441)	(3,720,717)	434,504	4,155,221
Fund balance--beginning	24,925,762	24,925,762	24,925,762	-
Fund balance--ending	\$ 20,981,321	21,205,045	25,360,266	4,155,221

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Fund	Total Proprietary Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,988,945	305,720	2,294,665
Due from other governments	251,330	-	251,330
Other receivables	75,234	-	75,234
Inventories, at cost	32,964	-	32,964
Prepaid items	12,420	-	12,420
Total current assets	<u>2,360,893</u>	<u>305,720</u>	<u>2,666,613</u>
Noncurrent assets-			
Capital assets:			
Land improvements	9,625	-	9,625
Buildings and improvements	174,927	-	174,927
Furniture and equipment	1,893,926	-	1,893,926
Accumulated depreciation	(1,328,704)	-	(1,328,704)
Total noncurrent assets	<u>749,774</u>	<u>-</u>	<u>749,774</u>
Total assets	<u>3,110,667</u>	<u>305,720</u>	<u>3,416,387</u>
Liabilities-			
Current liabilities:			
Accounts payable	11,397	-	11,397
Payroll deductions and withholdings payable	84,379	-	84,379
Accrued wages payable	259,999	-	259,999
Due to other funds	316,322	-	316,322
Unearned revenue	442,160	-	442,160
Total liabilities	<u>1,114,257</u>	<u>-</u>	<u>1,114,257</u>
Net Position:			
Net investment in capital assets	749,774	-	749,774
Unrestricted	1,246,636	305,720	1,552,356
Total net position	<u>\$ 1,996,410</u>	<u>305,720</u>	<u>2,302,130</u>

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Fund	Total Proprietary Funds
Operating revenues-			
Charges for services	\$ 3,257,995	103,354	3,361,349
Operating expenses:			
Payroll costs	3,166,377	-	3,166,377
Professional and contracted services	130,658	39,035	169,693
Supplies and materials	965,908	61,316	1,027,224
Other operating	29,483	-	29,483
Depreciation	110,141	-	110,141
Total operating expenses	4,402,567	100,351	4,502,918
Operating income (loss)	(1,144,572)	3,003	(1,141,569)
Nonoperating revenues:			
State program revenues	244,483	-	244,483
Federal program revenues	121,617	-	121,617
Total nonoperating revenues	366,100	-	366,100
Income (loss) before transfers	(778,472)	3,003	(775,469)
Transfers in	725,447	-	725,447
Transfers out	(357,733)	-	(357,733)
Change in net position	(410,758)	3,003	(407,755)
Total net position--beginning	2,407,168	302,717	2,709,885
Total net position--ending	\$ 1,996,410	305,720	2,302,130

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Fund	Total Proprietary Funds
Cash Flows from Operating Activities:			
Receipts from customers/contributors/students	\$ 2,973,361	103,354	3,076,715
Payments to suppliers	(1,003,191)	(100,351)	(1,103,542)
Payments to employees	(3,095,546)	-	(3,095,546)
Net cash provided by (used in) operating activities	(1,125,376)	3,003	(1,122,373)
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	725,447	-	725,447
Transfers to other funds	(357,733)	-	(357,733)
State program revenues	244,483	-	244,483
Federal program revenues	77,007	-	77,007
Net cash provided by noncapital financing activities	689,204	-	689,204
Cash Flows from Capital and Related Financing Activities-			
Purchase of capital assets	(35,424)	-	(35,424)
Net change in cash and cash equivalents	(471,596)	3,003	(468,593)
Cash and cash equivalents - beginning of the year	2,460,541	302,717	2,763,258
Cash and cash equivalents - end of the year	<u>\$ 1,988,945</u>	<u>305,720</u>	<u>2,294,665</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,144,572)	3,003	(1,141,569)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	110,141	-	110,141
Federal commodities received	44,610	-	44,610
Increase in due from other governments	(251,330)	-	(251,330)
Increase in other receivables	(73,646)	-	(73,646)
Decrease in inventory	31,785	-	31,785
Increase in prepaid items	(101)	-	(101)
Decrease in accounts payable	(5,800)	-	(5,800)
Increase in payroll deductions and withholdings payable	21,362	-	21,362
Increase in accrued wages payable	49,469	-	49,469
Increase in due to other funds	52,364	-	52,364
Increase in unearned revenue	40,342	-	40,342
Net cash provided by (used in) operating activities	<u>\$ (1,125,376)</u>	<u>3,003</u>	<u>(1,122,373)</u>

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Private Purpose Trust	Custodial Funds
Assets-		
Cash and cash equivalents	\$ 63,521	\$ 234,679
Total assets	<u>\$ 63,521</u>	<u>\$ 234,679</u>
 Liabilities:		
Accounts payable	\$ -	\$ 3,524
Due to student groups	-	226,452
Due to other governments	-	3,572
Due to other funds	-	29
Total liabilities	<u>\$ -</u>	<u>\$ 233,577</u>
 Net Position:		
Held in trust for private purposes	\$ 63,521	\$ -
Restricted for student groups	<u>-</u>	<u>1,102</u>
Total net position	<u><u>\$ 63,521</u></u>	<u><u>\$ 1,102</u></u>

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Private Purpose Trust	Custodial Funds
Additions:		
Investment income	\$ 5,854	\$ -
Enterprising services	-	85,119
	<hr/>	<hr/>
Total additions	5,854	85,119
Deductions:		
Scholarships provided	6,220	-
Supplies and materials	-	1,006
Other expenses	-	83,011
	<hr/>	<hr/>
Total deductions	6,220	84,017
	<hr/>	<hr/>
Change in net position	(366)	1,102
Net position--beginning of the year	63,887	-
	<hr/>	<hr/>
Net position--end of the year	<u>\$ 63,521</u>	<u>\$ 1,102</u>

The notes to the financial statements are an integral part of this statement.

Eanes Independent School District

Notes to Basic Financial Statements

Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

The Financial Reporting Entity

This report includes those activities, organizations and functions which are related to the Eanes Independent School District (the “District”) and which are controlled by or dependent upon the District’s governing body, the Board of School Trustees (the “Board”). The Board, a seven-member group, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”), since Board members are elected by the public and have decision making authority. There are no component units included within the reporting entity.

The accounting policies of the District substantially comply with the rules prescribed by the Texas Education Agency’s (the “TEA”) Financial Accountability System Resource Guide. These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Major revenue sources considered susceptible to accrual include state and federal program revenues and interest income. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources.

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

The Major Capital Projects Fund includes the proceeds from the Series 2019A Unlimited Tax School Building Bonds and the Series 2019B Variable Rate Unlimited Tax School Building Bonds to be used for authorized construction and other capital asset acquisitions.

Additionally, the District reports the following fund types:

Special Revenue Funds are governmental funds which include resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds. The District uses project accounting to maintain integrity for the various sources of funds.

Capital Projects Funds includes the proceeds from sales of bonds and other revenues to be used for authorized construction and other capital asset acquisitions.

Enterprise Funds are proprietary funds used to account for the operations of the District's child nutrition program, its community education program, its childcare services programs, and its facilities rental program.

The Internal Service Fund is a proprietary fund and is used to account for the District's self-insurance related to computer equipment.

The Private Purpose Trust Fund is a fiduciary trust fund and is used to account for the principal and income that benefit individuals in the form of scholarships.

Custodial Funds are unbudgeted funds and are used to account for activities of student groups and other types of activities requiring clearing accounts.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the District's internal service fund are from fees related to insurance for computer equipment. Operating expenses include professional and contracted services and supplies and materials.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Information

Budgets are prepared annually for the General Fund and the Debt Service Fund on the modified accrual basis and for the Child Nutrition Fund (an Enterprise Fund) on the accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by June 20th and is adopted by the Board at a public meeting after ten days public notice of the meeting had been given. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was amended by the Board on a monthly basis as needed. The contracted instructional services between schools function in the General Fund exceeded the budgeted amount by \$335,540 for the year ended June 30, 2021.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30th, and encumbrances outstanding at that time are to be either canceled or provided for in the subsequent year's budget. At June 30, 2021, encumbrances outstanding of approximately \$171,000 were provided for in the subsequent year's General Fund budget and are included in assigned fund balance.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Investments - Temporary investments throughout the year consisted of investments in external local government investment pools (reported within cash and cash equivalents). External local government investment pools are recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policy. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Inventories - Inventories in the General Fund consist of expendable supplies held for consumption. Inventories are charged to expenditures when consumed. Supply and furniture and equipment inventory are recorded at cost (FIFO method) and are offset by a fund balance reserve which indicates that they do not represent "available expendable resources." Inventories in the Enterprise Fund consist of commodities, purchased food and supplies. Purchased food and supplies are recorded at cost (FIFO method) and charged to expense when consumed. The commodity portion of inventory is valued at estimated market values supplied by the Texas Department of Human Services.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are charged to expenditures when consumed.

Capital Assets - Capital assets, which include land and land improvements, construction in progress, buildings and improvements, and furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000. Such assets are recorded at historical cost if purchased, or at acquisition value at the date of donation if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Capital assets (other than land and land improvements and construction in progress) are depreciated using the straight line method over the following estimated useful lives: buildings and improvements - ten to fifty years, furniture and equipment - three to fifteen years.

Ad Valorem Property Taxes - Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles 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.

Accumulated Sick Leave Liability - The State of Texas (the “State”) has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district’s local Board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum. The District’s policy is to reimburse teachers, upon resignation, who have been employed in the District for ten or more years for the number of unused local sick days equal to the number of remaining State days credited to the teacher since entering the District. Reimbursement is made at the daily rate of pay for a full-time substitute. The District’s liability for accrued compensated absences as of June 30, 2021 was \$816,722 and is included in the government-wide financial statements. A liability is reported in governmental funds only if they matured, for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund.

Arbitrage - The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer’s tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At June 30, 2021, the District had no liability for arbitrage.

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

Other Post-Employment Benefits - The fiduciary net position of the 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 other post-employment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, 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.

Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District’s net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District’s acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 7, 12 and 13 for additional information on deferred inflows and outflows of resources.

Fund Balance/Deficit - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Statement of Cash Flows - For purposes of the statement of cash flows of the Proprietary Funds, cash and cash equivalents include short-term investments with original stated maturities of less than ninety days.

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

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

Change in Accounting Principle for Recently Adopted Accounting Pronouncement

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of the standard is to improve accounting and financial reporting for fiduciary activities by establishing criteria for identifying fiduciary activities, requiring that all fiduciary funds present a statement of fiduciary net position and a statement of changes in fiduciary net position, except for business-types activities that normally expect to hold custodial assets for three months or less, and providing descriptions of the four types of fiduciary funds that should be reported, if applicable. The standard also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The District adopted this standard on July 1, 2020 and there was no change to fiduciary net position as of July 1, 2020 as a result of applying the new guidance.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, 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 deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended June 30, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The objective of GASB Statement No. 96 is to improve accounting and financial reporting by establishing a definition for a subscription-based information technology arrangement (“SBITA”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 96 will require a government to report a right-to-use subscription asset as an intangible asset and a corresponding subscription liability for a SBITA, and also require certain disclosures about the SBITA. GASB Statement No. 96 also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. Management is evaluating the effects that the full implementation of GASB Statement No. 96 will have on its financial statements for the year ended June 30, 2023.

2. Deposits and Investments

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District’s investment strategy, in order of priority, are preservation and safety of principal, liquidity, and yield.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Banker's acceptance
- Commercial paper
- Money market funds and no-load mutual funds
- A guaranteed investment contract as an investment vehicle for bond proceeds provided it meets the criteria and eligibility requirements.
- Public funds investment pools

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District's agent 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 dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. Therefore, the District is not exposed to custodial credit risk.

Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

At June 30, 2021, the carrying amount of the District's deposits was \$2,838,552 and the bank balance was \$3,078,154.

The District's deposits with financial institutions at June 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and the TEA maintains copies of all safekeeping receipts in the name of the District. During the year ended June 30, 2021, there were several instances in which the District's deposits were not fully collateralized by FDIC insurance or by pledged collateral and thus were exposed to custodial credit risk. These instances were due to the timing of certain payments received by the District in which the bank did not increase the pledged collateral until the next day.

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest deposit:

- Name of depository bank: Wells Fargo.
- Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$8,719,717.
- Largest cash, savings and time deposit combined account balance amounted to \$5,284,558 and occurred during the month of July 2020.
- Total amount of FDIC coverage at the time of highest combined balance was \$250,000.

Investments held at June 30, 2021 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Local Governmental Investment Pools:			
TexPool	\$ 294,252	1	AAAm
Lone Star	206,975,125	1	AAAm
TexasDAILY	2,616,493	1	AAAm
Total investments	<u>\$ 209,885,870</u>		

The District had investments in three external local governmental investment pools at June 30, 2021, consisting of the Texas Local Governmental Investment Pool ("TexPool"), Lone Star Investment Pool ("Lone Star"), and TexasDAILY Local Government Investment Pool ("TexasDAILY"). Although TexPool, TexasDAILY and Lone Star are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These investments are stated at amortized cost, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool's investment policy, which is made up equally of participants and non-participants who do not have a business relationship with TexPool. Federated Investors manages daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

TexasDAILY is a portfolio of TexasTERM Local Government Investment Pool ("TexasTERM") and provides daily access to funds. TexasTERM is organized in conformity with the Public Funds Investment Act. TexasTERM provides for a fixed rate, fixed-term investment for a period of 60 days to one year. TexasTERM is overseen by an advisory board composed of participants and non-participant members elected by the participant shareholders of TexasTERM. The advisory board is responsible for the overall management of TexasTERM, including formulation and implementation of its investment and operating policies. In addition, the advisory board members select and oversee the activities of the investment advisor and custodian of TexasTERM and monitor investment performance and the method of valuing the shares. TexasTERM is a floating net assets value fund, which is a non-2a7 fund. It is a fundamental objective of TexasTERM to assure the return of principal and interest at the date planned for redemption of shares; however the net asset value of shares may fluctuate prior to the planned redemption date.

Lone Star is governed by an eleven member board of trustees, in which all of the members are also participants in Lone Star. The board meets quarterly to review operations, adopt or make changes to the investment policy, review financial activity and approve contractor agreements. Lone Star also has an advisory board consisting of participants and non-participants. RBC Capital Markets, Inc. is an independent consultant for Lone Star that reviews daily operations, analyzes all investment transactions for compliance with the Public Funds Investment Act, and performs monitoring activities. The Bank of New York provides custody and valuation services for Lone Star. American Beacon Advisors and Standish Mellon provide other investment management services. Lone Star's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

In accordance with GASB Statement No. 79, the external local government investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At June 30, 2021, investments were included in external local governmental investment pools with ratings from Standard & Poor's in compliance with the District's investment policy.

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 District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At June 30, 2021, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At June 30, 2021, the District was not exposed to concentration of credit risk.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the District's investment policy requires that the total portfolio of the District will not exceed the weighted average maturity of 365 days. The weighted average maturity for the total portfolio was 1 day. The District considers the holdings in the external local governmental investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. Term limits on individual maturities did not exceed three years from the purchase date. At June 30, 2021, the District was not exposed to significant interest rate risk.

3. Property Taxes

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the “Code”) which established a county-wide appraisal district and an appraisal review board in each county in the State. The Travis Central Appraisal District (the “Appraisal District”) is responsible for the recording and appraisal of all property in the District. Under the Code, the Board sets the tax rates on property and the Travis County Tax Office provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 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 and penalties and interest that are ultimately imposed. The assessed value as of January 1, 2020, upon which the October 2020 levy was based, was \$14,783,532,074. The District levied taxes based on a combined tax rate of \$1.1164 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

The 86th session of the Texas Legislature convened in January 2019, with school finance reform as a critical priority. House Bill 3 (HB 3), passed by the 86th Texas Legislature, was one of the most transformative Texas education bills in recent history infusing more than \$11 billion into the public school system. HB 3 provided more money for Texas classrooms through an increase in the basic allotment for each student from \$5,140 to \$6,160, increased teacher compensation, funded free full-day Pre-K for eligible 4-year-olds, reduced the amount of money wealthy districts must spend to subsidize poor districts through the state’s recapture program, and cut local property taxes for Texas taxpayers. In summary, HB 3 focused on four major policy areas: teacher support, improving student outcomes, increasing funding, and reduction and reform of property taxes and recapture.

HB 3 amended the Education Code to transfer certain sections from Chapter 41 to Chapter 49 and revised formulas used to determine excess local revenue under the Foundation School Program (FSB). The formula for recapture is now local revenue in excess of entitlement instead of wealth per weighted average daily attendance (WADA) basis. Under HB 3, recapture and non-recapture school districts are treated more equitably, and districts only pay tier one recapture on the amount above their formula entitlement. HB 3 modified local revenue subject to recapture to be local revenue in excess of entitlement and is calculated by subtracting a district's tier one entitlement (and credit for appraisal costs) from its available school fund (ASF) distribution and local fund assignment.

During the year ended June 30, 2021, the District’s recapture liability was \$101,813,483. This amount was incorporated into the District’s budget and was included in the due to other governments total on the balance sheet as of June 30, 2021 (see Note 4). Under HB 3, districts have the option of making one lump-sum payment in August after the fiscal year ends. The payment option to submit seven equal payments from February through August remains unchanged. The District opted to make one lump-sum payment in August.

4. Due from/to Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. The District is also required to make payments to the State for recapture (see Note 3). These amounts are reported in the basic financial statements as Due from/to Other Governments and are summarized below as of June 30, 2021.

	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
Per Capita entitlement	\$ 1,092,999	-	-	1,092,999
Federal and state grants	-	943,561	-	943,561
Other	-	-	251,330	251,330
Total due from other governments	<u>\$ 1,092,999</u>	<u>943,561</u>	<u>251,330</u>	<u>2,287,890</u>
Recapture liability	<u>101,813,483</u>	<u>-</u>	<u>-</u>	<u>101,813,483</u>
Total due to other governments	<u>\$101,813,483</u>	<u>-</u>	<u>-</u>	<u>101,813,483</u>

5. Interfund Receivables, Payables, and Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of June 30, 2021, was as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Special Revenue	\$ 678,899
General	Nonmajor Enterprise	316,322
General	Custodial	29
General	Major Capital Projects	72,065
Debt Service	General	76,307
Total		<u>\$ 1,143,622</u>

During the year, the District transferred \$357,733 from four nonmajor enterprise funds to the General Fund to reimburse the General Fund for administrative and payroll costs and transferred \$725,447 from the General Fund to the Child Nutrition Fund to offset a negative net position due to revenue losses related to the COVID-19 pandemic.

6. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and land improvements	\$ 21,215,260	-	-	-	21,215,260
Construction in progress	4,813,461	14,670,331	-	(1,311,062)	18,172,730
Total capital assets, not being depreciated	26,028,721	14,670,331	-	(1,311,062)	39,387,990
Capital assets, being depreciated:					
Buildings and improvements	277,351,818	5,015,523	-	833,669	283,201,010
Furniture and equipment	38,724,506	4,817,913	(1,700,951)	477,393	42,318,861
Total capital assets being depreciated	316,076,324	9,833,436	(1,700,951)	1,311,062	325,519,871
Less accumulated depreciation for:					
Buildings and improvements	(137,092,992)	(8,869,912)	-	-	(145,962,904)
Furniture and equipment	(29,262,961)	(3,747,345)	1,700,951	-	(31,309,355)
Total accumulated depreciation	(166,355,953)	(12,617,257)	1,700,951	-	(177,272,259)
Total capital assets, being depreciated, net	149,720,371	(2,783,821)	-	1,311,062	148,247,612
Governmental activities capital assets, net	175,749,092	11,886,510	-	-	187,635,602
Business-type activities:					
Land and land improvements	\$ 9,625	-	-	-	9,625
Buildings and improvements	174,927	-	-	-	174,927
Furniture and equipment	1,858,502	35,424	-	-	1,893,926
Less accumulated depreciation for:					
Buildings and improvements	(108,157)	(22,412)	-	-	(130,569)
Furniture and equipment	(1,110,406)	(87,729)	-	-	(1,198,135)
Total accumulated depreciation	(1,218,563)	(110,141)	-	-	(1,328,704)
Business-type activities capital assets, net	\$ 824,491	(74,717)	-	-	749,774

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

Governmental activities:

Instruction	\$ 10,752,425
Instructional resources and media services	465,577
Instructional leadership	45,422
School leadership	204,400
Guidance, counseling, and evaluation services	79,489
Health services	37,852
Student transportation	40,375
Food services	215,755
Extracurricular activities	32,805
General administration	135,005
Facilities maintenance and operations	608,152
Total depreciation expense - governmental activities	<u>\$ 12,617,257</u>

Business-type activities:

Community services	\$ 3,684
Food services	106,457
Total depreciation expense - business type activities	<u>\$ 110,141</u>

7. Deferred Charges on Bond Refundings

The following is a summary of deferred charges on bond refundings for the year ended June 30, 2021:

Deferred charges on bond refundings - June 30, 2020	\$ 2,486,251
Additions from Series 2020A refunding	110,155
Retirements from Series 2020A refunding	(9,257)
Retirements from Series 2017 refunding	(71,886)
Retirements from Series 2016 refunding	(96,582)
Retirements from Series 2015B refunding	(221,738)
Retirements from Series 2013 refunding	(79,734)
Deferred charges on bond refundings - June 30, 2021	<u>\$ 2,117,209</u>

8. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance
General obligation bonds	\$ 155,035,000	24,780,000	(34,285,000)	145,530,000
Premiums on bonds	18,207,139	4,137,073	(5,443,418)	16,900,794
Accretion payable	857,471	26,025	-	883,496
Compensated absences	788,688	28,034	-	816,722
Total	<u>\$ 174,888,298</u>	<u>28,971,132</u>	<u>(39,728,418)</u>	<u>164,131,012</u>

Bonded debt consisted of the following as of June 30, 2021:

General Obligation Bonds:

Series	Date of Issue	Amounts of Original Issue	Maturity Date	Interest Rate	Outstanding at 6-30-21	Current Portion
2009 Refunding	11-23-09	\$ 19,405,000	2022	4.00%	\$ 2,840,000	\$ 2,840,000
2013 Refunding	06-27-13	8,590,000	2025	2.00-3.00%	7,905,000	80,000
2015A School Building	07-28-15	48,080,000	2032	2.00-5.00%	25,050,000	3,610,000
2015B Refunding	07-28-15	24,005,000	2023	2.00-5.00%	8,330,000	4,195,000
2016 Refunding	09-21-16	8,390,000	2031	2.00-4.00%	8,215,000	980,000
2017 Refunding	12-21-17	8,725,000	2031	2.00-4.00%	8,495,000	-
2019A School Building	09-12-19	46,550,000	2036	1.75-5.00%	44,985,000	1,080,000
2019B Variable School Building	09-12-19	14,930,000	2040	7.00%	14,930,000	-
2020A School Building and Refunding	09-9-20	18,455,000	2041	3.00-7.00%	18,455,000	3,050,000
2020T Taxable School Building	09-9-20	<u>6,325,000</u>	2041	1.259-5.00%	<u>6,325,000</u>	<u>45,000</u>
Total		<u>\$203,455,000</u>			<u>\$145,530,000</u>	<u>\$15,880,000</u>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District without limitation as to rate. The Texas Education Code generally limits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness exceeds \$0.50 per \$100 of assessed valuation of taxable property within the District. The District currently has a debt service tax rate of \$0.12.

On September 9, 2020, the District issued \$6,325,000 in Unlimited Tax School Building Bonds, Taxable Series 2020T, for the construction, acquisition, rehabilitation, renovation, expansion, improvement, and equipment of school buildings in the District, including safety and security improvements; student programs and support, including technology systems and equipment; instructional, co-curricular and extra-curricular spaces, including robotics, wrestling and aquatics; promotion of energy efficiency and conservation; facility systems and site improvements throughout the District; the purchase of new school buses, and paying the costs of issuance of the bonds. The net proceeds of \$6,502,478 (after payment of \$117,196 in underwriting fees and other issuance costs) were used for the following: \$6,500,000 was invested by the District to fund future construction and \$2,478 was deposited in the Debt Service Fund for future bond issuance costs.

On September 9, 2020 the District issued \$18,455,000 in Unlimited Tax School Building and Refunding Bonds, Series 2020A, for i) the construction, acquisition, rehabilitation, renovation, expansion, improvement, and equipment of school buildings in the District, including safety and security improvements; student programs and support, including technology systems and equipment; instructional, co-curricular and extra-curricular spaces, including robotics, wrestling and aquatics; promotion of energy efficiency and conservation; facility systems and site improvements throughout the District; the purchase of new school buses, ii) current refunding \$17,470,000 of previously issued bonds in order to lower its overall debt requirements, and iii) paying the costs of issuance of the bonds. The net proceeds of \$22,085,460 (after payment of \$211,940 in underwriting fees and other issuance costs) were used for the following: \$17,580,155 was deposited with an escrow agent to provide the debt service payment on the portion of bonds currently refunded, \$4,500,000 was invested by the District to fund future construction, and \$5,305 was deposited in the Debt Service Fund for future bond issuance costs. As a result, \$17,470,000 of bond principal was considered defeased and the liability for these bonds was removed from the basic financial statements. The defeased bonds were called during the year ended June 30, 2021.

The reacquisition price exceeded the net carrying amount of the old debt by \$110,155. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the refunded debt which is shorter than the life of the new debt issued. The current refunding reduced debt service payments by approximately \$3,361,000 and resulted in an economic gain of approximately \$3,276,000.

The annual principal installments for each of the outstanding issues vary each year. As of June 30, 2021, the debt service requirements of bonded indebtedness to maturity are as follows:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 15,880,000	5,363,942	21,243,942
2023	16,260,000	4,678,142	20,938,142
2024	11,435,000	5,009,692	16,444,692
2025	12,675,000	3,610,367	16,285,367
2026	7,285,000	3,618,729	10,903,729
2027-2031	41,805,000	14,593,339	56,398,339
2032-2036	21,990,000	7,414,556	29,404,556
2037-2041	18,200,000	2,424,645	20,624,645
Total	<u>\$145,530,000</u>	<u>46,713,412</u>	<u>192,243,412</u>

The outstanding 2013 Series Bonds include both Serial and Capital Appreciation Bonds. The interest shown above, with respect to the Capital Appreciation Bonds, includes the interest to be paid on bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years.

The Series 2019B Bonds are variable interest bonds and will bear interest at a per annum rate of 1.75% through July 31, 2025. Thereafter, the bonds will bear interest at a rate or rates determined by the remarketing agent as provided in the bond order.

As of June 30, 2021, all general obligation bond authorized by voters of the District had been issued.

9. Revenues from Local and Intermediate Sources

For the year ended June 30, 2021, revenues from local and intermediate sources in the governmental funds consisted of the following:

	General Fund	Debt Service Fund	Major Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$166,737,115	20,110,542	-	-	186,847,657
Investment earnings	125,133	18,262	77,352	19,682	240,429
Penalties, interest, and other tax related income	730,227	95,819	-	-	826,046
Tuition and fees from patrons	106,848	-	-	-	106,848
Co-curricular student activities	647,014	-	-	-	647,014
Gifts and donations	2,925,124	-	-	985,550	3,910,674
Other	576,052	169,655	-	905,282	1,650,989
Total	<u>\$171,847,513</u>	<u>20,394,278</u>	<u>77,352</u>	<u>1,910,514</u>	<u>194,229,657</u>

10. Fund Balances

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, the Board, or an official or body that has been delegated authority by the Board, may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances is included in the Governmental Funds Balance Sheet on page 17. Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated authority to the Superintendent or the Chief Financial Officer to assign fund balance for a specific purpose. The details of assigned Special Revenue Funds fund balances are included in the Combining Balance Sheet - Nonmajor Special Revenue Funds on pages 65 through 67.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

11. Deferred Compensation Plan

The District offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. Assets and income of the District's plan are administered by a private corporation under contract with the District and are held for the exclusive benefit of the participants and their beneficiaries. Accordingly, the plan's assets and liabilities are not recorded in the District's basic financial statements.

12. Defined Benefit Pension Plans

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 TRS and is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 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, in which 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 cost-of-living adjustments ("COLAs"). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

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

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

Contributions

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

	2020	2021
Contribution Rates:		
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
FY 2021 District Contributions		\$ 1,647,920
FY 2021 Member Contributions		\$ 4,525,650
FY 2021 NECE On-behalf Contributions		\$ 3,669,221

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% of the member's salary beginning in fiscal year 2020, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of TRS, 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:

	August 31, 2019 rolled forward to August 31, 2020
Valuation Date	August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%, including inflation
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 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% was used to measure the pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine 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 sessions. It is assumed that the future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% 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 geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2020 are summarized below.

Asset Class	FY2020 Target Allocation (1)	Long-Term Expected Geometric Real Rate of Return (2)	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	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%)
Absolute Return (including Credit Sensitive Investments)	0.00%	1.80%	0.00%
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%
Commodities	0.00%	0.80%	0.00%
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 (3)			(0.67%)
Expected Return	<u>100.00%</u>	<u></u>	<u>7.33%</u>

(1) Target allocations are based on the FY2020 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of August 31, 2020)

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25%, and what the Net Pension Liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current discount rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 33,333,403	\$ 21,617,244	\$ 12,098,121

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

At June 30, 2021, the District reported a liability of \$21,617,244 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	\$ 21,617,244
State's proportionate share that is associated with the District	<u>46,228,966</u>
Total	<u>\$ 67,846,210</u>

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 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0404% which was a decrease of 0.0038% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

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

For the year ended June 30, 2021, the District recognized pension expense of \$3,902,131 and revenue of \$5,560,318 for support provided by the State.

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 39,471	\$ 603,280
Changes in actuarial assumptions	5,015,970	2,132,755
Difference between projected and actual investment earnings	437,623	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,865,794	1,653,834
Contributions paid to TRS subsequent to the measurement date	<u>1,375,549</u>	<u>-</u>
Total	<u>\$ 8,734,407</u>	<u>\$ 4,389,869</u>

The \$1,375,549 reported as 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 year ended June 30, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Pension Expense Amount</u>
Year ended June 30:	
2022	\$ 1,325,793
2023	1,252,567
2024	905,171
2025	63,066
2026	(494,451)
Thereafter	(83,157)

13. 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 OPEB plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detailed information about TRS-Care's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/about/publications.aspx>; 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 and 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. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table

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

	2020	2021
Contribution Rates:		
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%
FY 2021 District Contributions		\$ 440,843
FY 2021 Member Contributions		\$ 382,052
FY 2021 NECE On-behalf Contributions		\$ 611,537

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 employers hire a TRS retiree, they are required to pay to 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 actuarial valuation 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	

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:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.33%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.25% to 9.00%
Election Rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Ad hoc post-employment benefit changes	None

Assumption changes include a discount rate change from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, participation rates were updated, and trend rates were updated as a result of Congress' repeal of the excise tax on high-cost plans in December 2019.

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% 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 non-employer 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 applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2020.

See Note 12 for the best estimate of geometric real rates of return for each major asset class included in the TRS target asset allocation as of August 31, 2020.

Sensitivity Analysis

Discount Rate - The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	<u>1% Decrease in Discount Rate (1.33%)</u>	<u>Discount Rate (2.33%)</u>	<u>1% Increase in Discount Rate (3.33%)</u>
District's proportionate share of the net OPEB liability	\$ 27,912,000	\$ 23,260,044	\$ 19,585,667

Healthcare Cost Trend Rates - The following schedule shows the impact of the Net OPEB Liability if the healthcare cost trend rate that is 1% lower than and 1% higher than the assumed healthcare cost trend rate is used in measuring the Net OPEB Liability.

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
District's proportionate share of the net OPEB liability	\$ 19,000,476	\$ 23,260,044	\$ 28,933,187

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

At June 30, 2021, the District reported a liability of \$23,260,044 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	\$ 23,260,044
State's proportionate share that is associated with the District	<u>31,255,924</u>
Total	<u>\$ 54,515,968</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 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net OPEB liability was 0.0612% which was a decrease of 0.0014% from the proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

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

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

For the year ended June 30, 2021, the District recognized OPEB expense of (\$225,452) and revenue of (\$217,029) for support provided by the State.

As of June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,217,887	\$ 10,644,986
Changes in actuarial assumptions	1,434,661	6,387,328
Difference between projected and actual investment earnings	7,558	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,673,343	1,223,012
Contributions paid to TRS subsequent to the measurement date	365,541	-
Total	<u>\$ 4,698,990</u>	<u>\$ 18,255,326</u>

The \$365,541 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPEB Expense Amount</u>
Year ended June 30:	
2022	\$ (2,276,903)
2023	(2,277,914)
2024	(2,278,491)
2025	(2,278,333)
2026	(1,657,049)
Thereafter	(3,153,187)

14. Health Care Coverage

During the year ended June 30, 2021, employees of the District were covered by a health insurance plan. The District contributed \$473 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All contributions were paid to a licensed insurer. The plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The District recognizes as revenues and expenditures retiree drug subsidy reimbursements under the provisions of Medicare Part D made by the federal government to TRS on behalf of the District. For the year ended June 30, 2021, reimbursements of \$263,481 were received by TRS and allocated to the District.

15. Risk Management

The District's risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers compensation and other miscellaneous bonds. During the year ended June 30, 2021, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past five years.

16. Commitments and Contingencies

The District participates in a number of federal financial assistance programs. Although the District grant programs have been audited in accordance with the provisions of the Uniform Guidance through June 30, 2021, these programs are subject to financial and compliance audits. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

In September 2014, the District entered into an agreement to lease property to a company who planned to develop a multi-purpose indoor athletic center (the “facility”) to benefit both the District’s students and the community at-large. The District has the right to use the facility during the school day, and if necessary, terminate the lease if the property is needed for future instructional purposes or for reasons of financial exigency. The facility opened in December 2015 and expected annual future lease income to the District is as follows:

<u>Fiscal Years</u>	
2025-2029	\$ 282,265
2030-2034	352,472
2035-2039	398,790
2040-2044	451,194
2045-2049	510,484
2050-2054	577,566
2055-2059	653,462
2060-2064	739,333
2065	<u>78,587</u>
Total	<u>\$ 4,044,153</u>

In October 2015, the District entered into an agreement to lease property to a party (“Rentor”) who plans to develop property for athletic purposes to benefit both the District’s students and the community at-large. The District maintains the right to control and manage the use of the property, and if necessary, terminate the lease if property is needed for future instructional purposes or for reasons of financial exigency. During the expected three year period when the Rentor is developing the property for use, rental income to the District is \$5,000 per year. Once property is ready for use, expected annual future lease income to the District is as follows:

<u>Years</u>	
1-5	\$ 175,000
6-10	183,750
11-15	192,938
16-20	202,584
21-25	212,714
26-30	223,349
31-35	234,517
36-40	246,243
41-45	258,555
46-50	<u>271,482</u>
Total	<u>\$ 2,201,132</u>

As of June 30, 2021, the District is also committed under construction contracts with a remaining balance of \$13,063,898.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact the District's results of operations and financial position, the related financial impact cannot be reasonably concluded at this time. Management is actively managing operations to maintain the District's cash flow and believes that the District has adequate liquidity.

Required Supplementary Information

Eanes Independent School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher Retirement System of Texas
June 30, 2021**

	2020*	2019*	2018*	2017*	2016*	2015*	2014*
District's proportion of the net pension liability	0.0404%	0.0442%	0.0452%	0.0441%	0.0415%	0.0370%	0.0176%
District's proportionate share of the net pension liability \$	21,617,244	22,957,008	24,861,863	14,093,471	15,681,221	13,072,609	4,711,113
State's proportionate share of the net pension liability associated with the District	46,228,966	43,835,134	47,149,661	28,271,338	33,818,224	36,291,494	31,802,422
Total	<u>\$ 67,846,210</u>	<u>66,792,142</u>	<u>72,011,524</u>	<u>42,364,809</u>	<u>49,499,445</u>	<u>49,364,103</u>	<u>36,513,535</u>
District's covered-employee payroll (for Measurement Year)	59,745,318	57,205,331	55,448,500	54,265,804	51,984,296	50,738,468	50,417,291
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	36.18%	40.13%	44.84%	25.97%	30.17%	25.76%	9.34%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered employee payroll	110.36%	114.93%	126.11%	75.93%	92.75%	91.94%	72.90%

* The amounts presented for each Plan year are as of August 31, plan information was unavailable prior to 2014.

** Schedule should provide ten years of Plan information, but data was unavailable prior to 2014.

Eanes Independent School District
Schedule of District Contributions - Pensions
Teacher Retirement System of Texas
Last 10 Fiscal Years

	2021	2020	2019	2018	2017
Contractually required contributions	\$ 1,647,920	\$ 1,657,978	\$ 1,553,401	\$ 1,506,638	\$ 1,405,880
Contributions in relation to the contractual required contributions	1,647,920	1,657,978	1,553,401	1,506,638	1,405,880
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 58,774,677	\$ 59,583,363	\$ 56,750,174	55,125,221	\$ 54,415,813
Contributions as a percentage of covered payroll	2.80%	2.78%	2.74%	2.73%	2.58%
	2016	2015	2014	2013	2012
Contractually required contributions	\$ 1,295,836	\$ 1,010,184	\$ 447,400	\$ 427,672	\$ 365,561
Contributions in relation to the contractual required contributions	1,295,836	1,010,184	447,400	427,672	365,561
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	51,052,365	\$ 50,825,694	\$ 50,056,157	\$ 47,904,262	\$ 39,319,194
Contributions as a percentage of covered payroll	2.54%	1.99%	0.89%	0.89%	0.93%

Eanes Independent School District
Schedule of the District's Proportionate Share of the Net OPEB Liability
Teacher Retirement System of Texas
June 30, 2021**

	2020*	2019*	2018*	2017*
District's proportion of the net OPEB liability	0.0612%	0.0626%	0.0635%	0.0594%
District's proportionate share of the net OPEB liability \$	23,260,044	29,611,390	31,701,409	25,842,771
State's proportionate share of the net OPEB liability associated with the District	31,255,924	39,346,912	49,250,792	44,307,983
Total	<u>\$ 54,515,968</u>	<u>68,958,302</u>	<u>80,952,201</u>	<u>70,150,754</u>
District's covered-employee payroll (for Measurement Year)	\$ 59,745,318	57,205,331	55,448,500	54,265,804
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	38.93%	51.76%	57.17%	47.62%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered employee payroll	101.46%	135.21%	146.64%	132.55%

* The amounts presented for each Plan year are as of August 31, plan information was unavailable prior to 2017.

** Schedule should provide ten years of Plan information, but data was unavailable prior to 2017.

Eanes Independent School District
Schedule of District Contributions - OPEB
Teacher Retirement System of Texas
Last 10 Fiscal Years

	2021	2020	2019	2018	2017
Contractually required contributions	\$ 440,843	\$ 446,863	\$ 425,592	\$ 395,299	\$ 297,125
Contributions in relation to the contractual required contributions	440,843	446,863	425,592	395,299	297,125
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 58,774,677	\$ 59,583,363	\$ 56,750,174	55,125,221	\$ 54,415,813
Contributions as a percentage of covered payroll	0.75%	0.75%	0.75%	0.72%	0.55%
	2016	2015	2014	2013	2012
Contractually required contributions	\$ 280,791	\$ 279,560	\$ 275,323	\$ 263,483	\$ 216,219
Contributions in relation to the contractual required contributions	280,791	279,560	275,323	263,483	216,219
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	51,052,365	\$ 50,825,694	\$ 50,056,157	\$ 47,904,262	\$ 39,319,194
Contributions as a percentage of covered payroll	0.55%	0.55%	0.55%	0.55%	0.55%

Eanes Independent School District

Note to Required Supplementary Information Year Ended June 30, 2021

1. Change in Assumptions

Pensions

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

OPEB

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

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

**Combining and Individual
Fund Statements and Schedules**

Eanes Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents	\$ 2,208,500	11,025,657	13,234,157
Due from other governments	943,561	-	943,561
Prepaid items	1,235	-	1,235
Total assets	<u>\$ 3,153,296</u>	<u>11,025,657</u>	<u>14,178,953</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 73,337	993,156	1,066,493
Payroll deductions and withholdings payable	34,469	-	34,469
Accrued wages payable	185,667	-	185,667
Due to other funds	678,899	-	678,899
Unearned revenue	950	-	950
Total liabilities	<u>973,322</u>	<u>993,156</u>	<u>1,966,478</u>
Fund balances:			
Nonspendable	10	-	10
Restricted	-	10,032,501	10,032,501
Committed	1,222,753	-	1,222,753
Assigned	957,211	-	957,211
Total fund balances	<u>2,179,974</u>	<u>10,032,501</u>	<u>12,212,475</u>
Total liabilities and fund balances	<u>\$ 3,153,296</u>	<u>11,025,657</u>	<u>14,178,953</u>

Eanes Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Local and intermediate sources	\$ 1,891,042	19,472	1,910,514
State program revenues	318,171	-	318,171
Federal program revenues	2,502,974	-	2,502,974
Total revenues	4,712,187	19,472	4,731,659
Expenditures:			
Current:			
Instruction	2,075,474	152,024	2,227,498
Instructional resources and media services	29,700	-	29,700
Curriculum and staff development	182,292	-	182,292
School leadership	52,777	5,730	58,507
Guidance, counseling and evaluation services	1,203,384	-	1,203,384
Health services	850	9,988	10,838
Student transportation	-	22,403	22,403
Food services	329,145	-	329,145
Extracurricular activities	536,762	-	536,762
General administration	7,451	20,519	27,970
Facilities maintenance and operations	47,206	204,363	251,569
Security and monitoring services	5,799	-	5,799
Data processing services	-	55,265	55,265
Other debt service expenditures	-	117,197	117,197
Facilities acquisition and construction	4,417	5,440,696	5,445,113
Total expenditures	4,475,257	6,028,185	10,503,442
Excess (deficiency) of revenues over (under) expenditures	236,930	(6,008,713)	(5,771,783)
Other Financing Sources:			
Issuance of bonds	-	6,322,522	6,322,522
Premium on sale of bonds	-	294,674	294,674
Total other financing sources	-	6,617,196	6,617,196
Net change in fund balances	236,930	608,483	845,413
Fund balances--beginning	1,943,044	9,424,018	11,367,062
Fund balances--ending	\$ 2,179,974	10,032,501	12,212,475

Eanes Independent School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	211	224	225	226	244	255	263
	Title I Grants to Local Educational Agencies	Special Ed Grants to States Formula	Special Education Preschool Grants	Special Ed Grants to States Disc. and High Cost	Career and Technical Education	Supporting Effective Instruction State Grants	English Language Acquisition State Grants
Assets:							
Cash and cash equivalents	\$ -	-	-	-	-	-	357
Due from other governments	50,940	285,708	15,938	192,521	6,161	34,506	12,086
Prepaid items	-	-	-	-	1,225	-	-
Total assets	<u>\$ 50,940</u>	<u>285,708</u>	<u>15,938</u>	<u>192,521</u>	<u>7,386</u>	<u>34,506</u>	<u>12,443</u>
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable	\$ -	-	-	44,751	-	-	-
Payroll deductions and withholdings payable	3,050	13,745	490	-	-	1,454	-
Accrued wages payable	21,723	77,394	2,904	-	-	7,342	12,443
Due to other funds	26,167	194,569	12,544	147,770	7,386	25,710	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>50,940</u>	<u>285,708</u>	<u>15,938</u>	<u>192,521</u>	<u>7,386</u>	<u>34,506</u>	<u>12,443</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 50,940</u>	<u>285,708</u>	<u>15,938</u>	<u>192,521</u>	<u>7,386</u>	<u>34,506</u>	<u>12,443</u>

(continued)

Eanes Independent School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2021

	266	281	289	289	385	393	397	410
	Education Stabilization Fund - ESSER I	Education Stabilization Fund - ESSER II	Student Support and Academic Enrichment Program	Provider Relief Fund	Visually Impaired	Texas Successful Schools	Advanced Placement Initiatives	State Instructional Materials
Assets:								
Cash and cash equivalents	\$ -	-	-	-	-	15,499	34,874	3,530
Due from other governments	-	326,609	9,990	-	6,158	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>326,609</u>	<u>9,990</u>	<u>-</u>	<u>6,158</u>	<u>15,499</u>	<u>34,874</u>	<u>3,530</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	\$ -	1,268	-	-	-	-	-	-
Payroll deductions and withholdings payable	-	15,640	-	-	52	-	-	-
Accrued wages payable	-	61,640	-	-	1,415	-	-	-
Due to other funds	-	248,061	9,990	-	4,691	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>326,609</u>	<u>9,990</u>	<u>-</u>	<u>6,158</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	15,499	34,874	3,530
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,499</u>	<u>34,874</u>	<u>3,530</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>326,609</u>	<u>9,990</u>	<u>-</u>	<u>6,158</u>	<u>15,499</u>	<u>34,874</u>	<u>3,530</u>

(continued)

Eanes Independent School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2021

	429	461	496	497	498	499	Total Nonmajor Special Revenue Funds
	Other State	Campus Activity Funds	TASB Loss Prevention	Other Local	Other Local	Other Local	
Assets:							
Cash and cash equivalents	\$ -	1,226,683	2,466	-	695	924,396	2,208,500
Due from other governments	2,944	-	-	-	-	-	943,561
Prepaid items	-	10	-	-	-	-	1,235
Total assets	<u>\$ 2,944</u>	<u>1,226,693</u>	<u>2,466</u>	<u>-</u>	<u>695</u>	<u>924,396</u>	<u>3,153,296</u>
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable	\$ -	3,122	-	-	-	24,196	73,337
Payroll deductions and withholdings payable	-	-	-	-	-	38	34,469
Accrued wages payable	-	806	-	-	-	-	185,667
Due to other funds	1,994	2	-	-	-	15	678,899
Unearned revenue	950	-	-	-	-	-	950
Total liabilities	<u>2,944</u>	<u>3,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,249</u>	<u>973,322</u>
Fund balances:							
Nonspendable	-	10	-	-	-	-	10
Committed	-	1,222,753	-	-	-	-	1,222,753
Assigned	-	-	2,466	-	695	900,147	957,211
Total fund balances	<u>-</u>	<u>1,222,763</u>	<u>2,466</u>	<u>-</u>	<u>695</u>	<u>900,147</u>	<u>2,179,974</u>
Total liabilities and fund balances	<u>\$ 2,944</u>	<u>1,226,693</u>	<u>2,466</u>	<u>-</u>	<u>695</u>	<u>924,396</u>	<u>3,153,296</u>

Eanes Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2021

	211	224	225	226	244	255	263
	Title I Grants to Local Educational Agencies	Special Ed Grants to States Formula	Special Education Preschool Grants	Special Ed Grants to States Disc. and High Cost	Career and Technical Education	Supporting Effective Instruction State Grants	English Language Acquisition State Grants
Revenues:							
Local and intermediate sources	\$ -	-	-	-	-	-	-
State program revenues	-	-	-	-	-	-	-
Federal program revenues	154,647	1,225,955	21,423	489,667	48,343	103,502	14,912
Total revenues	154,647	1,225,955	21,423	489,667	48,343	103,502	14,912
Expenditures:							
Current:							
Instruction	154,647	395,399	21,423	489,667	42,431	3,764	13,174
Instructional resources and media services	-	-	-	-	-	-	-
Curriculum and staff development	-	-	-	-	2,912	99,738	119
School leadership	-	-	-	-	-	-	-
Guidance, counseling and evaluation services	-	829,706	-	-	3,000	-	1,619
Health services	-	850	-	-	-	-	-
Food service	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-
Facilities maintenance and operations	-	-	-	-	-	-	-
Security and monitoring services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Total expenditures	154,647	1,225,955	21,423	489,667	48,343	103,502	14,912
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-
Beginning fund balances	-	-	-	-	-	-	-
Ending fund balances	\$ -	-	-	-	-	-	-

(continued)

Eanes Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
Year Ended June 30, 2021

	266	281	289	289	385	393	397	410
	Education Stabilization Fund - ESSER I	Education Stabilization Fund - ESSER II	Student Support and Academic Enrichment Program	Provider Relief Fund	Visually Impaired	Texas Successful Schools	Advanced Placement Initiatives	State Instructional Materials
Revenues:								
Local and intermediate sources	\$ -	-	-	-	-	-	-	-
State program revenues	-	-	-	-	8,334	-	-	265,034
Federal program revenues	95,993	326,609	9,990	11,933	-	-	-	-
Total revenues	95,993	326,609	9,990	11,933	8,334	-	-	265,034
Expenditures:								
Current:								
Instruction	93,457	-	-	-	8,334	-	-	455,855
Instructional resources and media services	-	-	-	-	-	-	-	-
Curriculum and staff development	-	-	9,990	-	-	-	-	-
School leadership	-	-	-	-	-	-	-	-
Guidance, counseling and evaluation services	-	-	-	-	-	-	-	-
Health services	-	-	-	-	-	-	-	-
Food service	2,536	326,609	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-	-
Facilities maintenance and operations	-	-	-	11,933	-	-	-	-
Security and monitoring services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Total expenditures	95,993	326,609	9,990	11,933	8,334	-	-	455,855
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	(190,821)
Net change in fund balances	-	-	-	-	-	-	-	(190,821)
Beginning fund balances	-	-	-	-	-	15,499	34,874	194,351
Ending fund balances	\$ -	-	-	-	-	15,499	34,874	3,530

(continued)

Eanes Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
Year Ended June 30, 2021

	429	461	496	497	498	499	Total Nonmajor Special Revenue Funds
	Other State	Campus Activity Funds	TASB Loss Prevention	Other Local	Other Local	Other Local	
Revenues:							
Local and intermediate sources	\$ -	875,181	-	30,311	-	985,550	1,891,042
State program revenues	44,803	-	-	-	-	-	318,171
Federal program revenues	-	-	-	-	-	-	2,502,974
Total revenues	44,803	875,181	-	30,311	-	985,550	4,712,187
Expenditures:							
Current:							
Instruction	41,859	191,334	-	-	2,305	161,825	2,075,474
Instructional resources and media services	61	14,824	-	-	-	14,815	29,700
Curriculum and staff development	-	12,924	-	-	-	56,609	182,292
School leadership	-	36,253	-	-	-	16,524	52,777
Guidance, counseling and evaluation services	-	368,059	-	-	-	1,000	1,203,384
Health services	-	-	-	-	-	-	850
Food service	-	-	-	-	-	-	329,145
Extracurricular activities	-	243,076	-	-	-	293,686	536,762
General administration	-	2,001	-	-	-	5,450	7,451
Facilities maintenance and operations	-	-	-	30,311	-	4,962	47,206
Security and monitoring services	2,883	-	-	-	-	2,916	5,799
Facilities acquisition and construction	-	-	-	-	-	4,417	4,417
Total expenditures	44,803	868,471	-	30,311	2,305	562,204	4,475,257
Excess (deficiency) of revenues over (under) expenditures	-	6,710	-	-	(2,305)	423,346	236,930
Net change in fund balances	-	6,710	-	-	(2,305)	423,346	236,930
Beginning fund balances	-	1,216,053	2,466	-	3,000	476,801	1,943,044
Ending fund balances	\$ -	1,222,763	2,466	-	695	900,147	2,179,974

Eanes Independent School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2021

	620	665	690	692	Total Nonmajor Capital Projects Funds
	Resources from Series 2020 Bonds	Resources from Series 2015A Bonds	Resources from River Hills Land Sale	Resources from Baldwin Land Sale	
Assets-					
Cash and cash equivalents	\$ 1,614,278	832,400	3,446,508	5,132,471	11,025,657
Total assets	<u>\$ 1,614,278</u>	<u>832,400</u>	<u>3,446,508</u>	<u>5,132,471</u>	<u>11,025,657</u>
Liabilities and Fund Balances:					
Liabilities-					
Accounts payable	\$ 961,573	31,583	-	-	993,156
Total liabilities	<u>961,573</u>	<u>31,583</u>	<u>-</u>	<u>-</u>	<u>993,156</u>
Fund balances-					
Restricted	<u>652,705</u>	<u>800,817</u>	<u>3,446,508</u>	<u>5,132,471</u>	<u>10,032,501</u>
Total fund balances	<u>652,705</u>	<u>800,817</u>	<u>3,446,508</u>	<u>5,132,471</u>	<u>10,032,501</u>
Total liabilities and fund balances	<u>\$ 1,614,278</u>	<u>832,400</u>	<u>3,446,508</u>	<u>5,132,471</u>	<u>11,025,657</u>

Eanes Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2021

	620	665	690	692	Total Nonmajor Capital Projects Funds
	Resources from Series 2020 Bonds	Resources from Series 2015A Bonds	Resources from River Hills Land Sale	Resources from Baldwin Land Sale	
Revenues-					
Local and intermediate sources	\$ 4,490	1,899	5,277	7,806	19,472
Total revenues	4,490	1,899	5,277	7,806	19,472
Expenditures:					
Current:					
Instruction	-	152,024	-	-	152,024
School leadership	-	5,730	-	-	5,730
Health services	-	9,988	-	-	9,988
Student transportation	-	22,403	-	-	22,403
General administration	-	20,519	-	-	20,519
Facilities maintenance and operations	-	204,363	-	-	204,363
Data processing services	-	55,265	-	-	55,265
Other debt service fees	117,197	-	-	-	117,197
Facilities acquisition and construction	5,160,421	255,800	24,475	-	5,440,696
Total expenditures	5,277,618	726,092	24,475	-	6,028,185
Excess (deficiency) of revenues over (under) expenditures	(5,273,128)	(724,193)	(19,198)	7,806	(6,008,713)
Other Financing Sources:					
Issuance of bonds	6,322,522	-	-	-	6,322,522
Premium on sale of bonds	294,674	-	-	-	294,674
Total other financing sources	6,617,196	-	-	-	6,617,196
Net change in fund balances	1,344,068	(724,193)	(19,198)	7,806	608,483
Fund balances--beginning	(691,363)	1,525,010	3,465,706	5,124,665	9,424,018
Fund balances--ending	\$ 652,705	800,817	3,446,508	5,132,471	10,032,501

Eanes Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021

	701	711	712	713	715	Total Nonmajor Enterprise Funds
	Child Nutrition	Community Education	Child Development Center	Easy Care After School	Facility Rentals	
Assets:						
Current assets:						
Cash and cash equivalents	\$ -	800,489	37,188	1,058,863	92,405	1,988,945
Due from other governments	10,523	-	240,807	-	-	251,330
Other receivables	120	600	-	-	74,514	75,234
Inventories, at cost	32,964	-	-	-	-	32,964
Prepaid items	1,268	11,152	-	-	-	12,420
Total current assets	44,875	812,241	277,995	1,058,863	166,919	2,360,893
Noncurrent assets-						
Capital assets:						
Land improvements	-	-	-	-	9,625	9,625
Buildings and improvements	138,191	-	36,736	-	-	174,927
Furniture and equipment	1,834,429	59,497	-	-	-	1,893,926
Accumulated depreciation	(1,250,891)	(59,497)	(18,316)	-	-	(1,328,704)
Total noncurrent assets	721,729	-	18,420	-	9,625	749,774
Total assets	766,604	812,241	296,415	1,058,863	176,544	3,110,667
Liabilities:						
Current liabilities:						
Accounts payable	\$ 2,649	6,350	77	1,354	967	11,397
Payroll deductions and withholdings payable	53,887	1,004	16,735	3,039	9,714	84,379
Accrued wages payable	92,261	65,598	83,065	16,769	2,306	259,999
Due to other funds	316,139	183	-	-	-	316,322
Unearned revenue	298,495	113,078	20,453	10,134	-	442,160
Total liabilities	763,431	186,213	120,330	31,296	12,987	1,114,257
Net Position:						
Net investment in capital assets	721,729	-	18,420	-	9,625	749,774
Unrestricted	(718,556)	626,028	157,665	1,027,567	153,932	1,246,636
Total net position	\$ 3,173	626,028	176,085	1,027,567	163,557	1,996,410

Eanes Independent School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2021

	701	711	712	713	715	Total Nonmajor Enterprise Funds
	Child Nutrition	Community Education	Child Development Center	Easy Care After School	Facility Rentals	
Operating revenues-						
Charges for services	\$ 1,556,805	288,538	796,732	255,192	360,728	3,257,995
Operating expenses:						
Payroll costs	1,413,819	238,016	1,111,425	222,787	180,330	3,166,377
Professional and contracted services	86,122	27,411	1,650	1,561	13,914	130,658
Supplies and materials	919,794	24,031	12,987	6,607	2,489	965,908
Other operating	4,606	12,194	8,858	3,387	438	29,483
Depreciation	106,457	-	3,684	-	-	110,141
Total operating expenses	2,530,798	301,652	1,138,604	234,342	197,171	4,402,567
Operating income (loss)	(973,993)	(13,114)	(341,872)	20,850	163,557	(1,144,572)
Nonoperating revenues:						
State program revenues	3,676	-	240,807	-	-	244,483
Federal program revenues	121,617	-	-	-	-	121,617
Total nonoperating revenues	125,293	-	240,807	-	-	366,100
Income (loss) before transfers	(848,700)	(13,114)	(101,065)	20,850	163,557	(778,472)
Transfers in	725,447	-	-	-	-	725,447
Transfers out	-	(43,333)	(43,333)	(43,334)	(227,733)	(357,733)
Change in net position	(123,253)	(56,447)	(144,398)	(22,484)	(64,176)	(410,758)
Total net position--beginning	126,426	682,475	320,483	1,050,051	227,733	2,407,168
Total net position--ending	\$ 3,173	626,028	176,085	1,027,567	163,557	1,996,410

**Eanes Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2021**

	701	711	712	713	715	Total Nonmajor Enterprise Funds
	Child Nutrition	Community Education	Child Development Center	Easy Care After School	Facility Rentals	
Cash flows from operating activities:						
Receipts from customers/contributors	\$ 1,490,879	362,631	576,378	255,792	287,681	2,973,361
Payments to suppliers	(884,005)	(62,604)	(25,550)	(12,938)	(18,094)	(1,003,191)
Payments to employees	(1,379,610)	(221,443)	(1,113,933)	(212,089)	(168,471)	(3,095,546)
Net cash provided by (used in) operating activities	(772,736)	78,584	(563,105)	30,765	101,116	(1,125,376)
Cash flows from noncapital financing activities:						
Transfers from other funds	725,447	-	-	-	-	725,447
Transfers to other funds	-	(43,333)	(43,333)	(43,334)	(227,733)	(357,733)
State program revenues	3,676	-	240,807	-	-	244,483
Federal program revenues	77,007	-	-	-	-	77,007
Net cash provided by (used in) noncapital financing activities	806,130	(43,333)	197,474	(43,334)	(227,733)	689,204
Cash flows from capital and related financing activities-						
Purchase of capital assets	(35,424)	-	-	-	-	(35,424)
Net change in cash and cash equivalents	(2,030)	35,251	(365,631)	(12,569)	(126,617)	(471,596)
Cash and cash equivalents--beginning of the year	2,030	765,238	402,819	1,071,432	219,022	2,460,541
Cash and cash equivalents--end of the year	\$ -	800,489	37,188	1,058,863	92,405	1,988,945
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (973,993)	(13,114)	(341,872)	20,850	163,557	(1,144,572)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	106,457	-	3,684	-	-	110,141
Federal commodities received	44,610	-	-	-	-	44,610
Increase in due from other governments	(10,523)	-	(240,807)	-	-	(251,330)
(Increase) decrease in other receivables	1	(600)	-	-	(73,047)	(73,646)
Decrease in inventory	31,785	-	-	-	-	31,785
(Increase) decrease in prepaid items	(1,268)	(429)	1,596	-	-	(101)
Increase (decrease) in accounts payable	(933)	1,420	(3,651)	(1,383)	(1,253)	(5,800)
Increase in payroll deductions and withholdings payable	8,699	736	1,339	1,035	9,553	21,362
Increase (decrease) in accrued wages payable	25,510	15,837	(3,847)	9,663	2,306	49,469
Increase in due to other funds	52,323	41	-	-	-	52,364
Increase (decrease) in unearned revenue	(55,404)	74,693	20,453	600	-	40,342
Net cash provided by (used in) operating activities	\$ (772,736)	78,584	(563,105)	30,765	101,116	(1,125,376)

Eanes Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Local and intermediate sources	\$ 23,323,348	20,166,106	20,394,278	228,172
State program revenues	101,983	101,983	96,890	(5,093)
Total revenues	23,425,331	20,268,089	20,491,168	223,079
Expenditures:				
Principal on long-term debt	16,815,000	16,815,000	16,815,000	-
Interest on long-term debt	5,878,288	5,878,288	5,857,926	20,362
Other debt service expenditures	30,000	175,314	163,395	11,919
Total expenditures	22,723,288	22,868,602	22,836,321	32,281
Excess (deficiency) of revenues over (under) expenditures	702,043	(2,600,513)	(2,345,153)	255,360
Other Financing Sources (Uses):				
Payment to refunded bond escrow agent	-	(17,580,155)	(17,580,155)	-
Issuance of bonds	-	7,773	7,773	-
Issuance of refunding bonds	-	14,760,000	14,760,000	-
Premium on sale of bonds	-	2,965,479	2,965,478	(1)
Total other financing sources, net	-	153,097	153,096	(1)
Net change in fund balance	702,043	(2,447,416)	(2,192,057)	255,359
Fund balance--beginning	25,484,110	25,484,110	25,484,110	-
Fund balance--ending	\$ 26,186,153	23,036,694	23,292,053	255,359

Eanes Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
Child Nutrition Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Local and intermediate sources	\$ 4,017,000	1,517,000	1,556,805	39,805
State program revenues	4,200	4,200	3,676	(524)
Federal program revenues	160,200	160,200	121,617	(38,583)
Total revenues	<u>4,181,400</u>	<u>1,681,400</u>	<u>1,682,098</u>	<u>698</u>
Expenses:				
Food services	3,884,690	2,631,310	2,289,239	342,071
Facilities maintenance and operations	269,947	244,947	241,559	3,388
Total expenses	<u>4,154,637</u>	<u>2,876,257</u>	<u>2,530,798</u>	<u>345,459</u>
Other Financing Sources-				
Transfers in	<u>-</u>	<u>1,500,000</u>	<u>725,447</u>	<u>(774,553)</u>
Change in net position	26,763	305,143	(123,253)	(428,396)
Total net position--beginning	<u>126,426</u>	<u>126,426</u>	<u>126,426</u>	<u>-</u>
Total net position--ending	<u>\$ 153,189</u>	<u>431,569</u>	<u>3,173</u>	<u>(428,396)</u>

Other Schedules

**Eanes Independent School District
Schedule of Delinquent Taxes Receivable
Year Ended June 30, 2021**

Last Ten Years Ended June 30*	Tax Rates		Assessed/ Appraised Value for School Tax Purposes	Beginning Balance 6/30/2020	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustment	Ending Balance 6/30/2021
	Maintenance	Debt Service							
2012 and earlier	Various	Various	Various	\$ 1,307,269	-	41,614	8,900	(171)	1,256,584
2013	1.0400	0.1725	8,768,038,358	72,480	-	9,598	1,592	-	61,290
2014	1.0400	0.1725	9,223,025,771	72,185	-	9,584	1,590	-	61,011
2015	1.0400	0.1725	10,150,514,818	61,337	-	6,493	1,077	-	53,767
2016	1.0400	0.1725	11,142,016,675	80,766	-	6,439	1,068	(39)	73,220
2017	1.0400	0.1725	12,347,242,347	181,634	-	43,042	7,139	1,323	132,776
2018	1.0600	0.1400	13,068,122,738	229,157	-	(6,152)	(813)	(78,182)	157,940
2019	1.0600	0.1400	13,671,949,330	411,686	-	19,496	2,575	(80,682)	308,933
2020	0.9900	0.1400	14,379,223,106	1,615,920	-	1,064,770	150,574	10,168	410,744
2021	0.9964	0.1200	14,783,532,074	-	188,361,975	165,542,231	19,936,840	(1,142,446)	1,740,458
Totals				<u>\$ 4,032,434</u>	<u>188,361,975</u>	<u>166,737,115</u>	<u>20,110,542</u>	<u>(1,290,029)</u>	<u>4,256,723</u>

* During 2012, the District changed its year end from August 31 to June 30.

Eanes Independent School District
Exhibit J-4 - Use of Funds Report - Select State Allotment Programs
June 30, 2021

Data Codes		Responses
Section A: Compensatory Education Programs		
Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.		
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 379,764
AP4	List the actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 1,054,764
Section B: Bilingual Education Programs		
Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.		
AP5	Did your district expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ 98,842
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	\$ 191,518

Eanes Independent School District
Exhibit L-1 - Required Responses to Selected
School First Indicators
June 30, 2021

Data Control Codes	Description	Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district 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	\$ 883,496

Federal Awards Section



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Independent Auditors' 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*

The Board of Trustees of
Eanes Independent School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eanes Independent School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 7, 2021.

Internal Control Over Financial Reporting

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

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

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

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

Compliance and Other Matters

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

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.

Maxwell Locke & Ritter LLP

Austin, Texas
December 7, 2021



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Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by The Uniform Guidance

The Board of Trustees of
Eanes Independent School District:

Report on Compliance for Each Major Federal Program

We have audited Eanes Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

Maxwell Locke & Ritter LLP

Austin, Texas
December 7, 2021

Eanes Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Education</u>			
Passed Through Texas Education Agency:			
Title I Grants to Local Educational Agencies	84.010A	20610101227909	\$ 9,900
Title I Grants to Local Educational Agencies	84.010A	21610101227909	144,747
Total - 84.010A			154,647
Special Education Cluster:			
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	206600012279096600	599,795
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	216600012279096600	626,160
Special Education Grants to States (IDEA - Part B, Discretionary Residential)	84.027A	206600122279096677	29,429
Special Education Grants to States (IDEA - Part B, Discretionary Residential)	84.027A	216600122279096677	355,337
Special Education Grants to States (IDEA - Part B, High Cost Risk Pool)	84.027A	66002106	104,901
Total - 84.027A			1,715,622
Special Education Preschool Grants (IDEA - Part B, Preschool)	84.173A	206610012279096610	1,298
Special Education Preschool Grants (IDEA - Part B, Preschool)	84.173A	216610012279096610	20,125
Total - 84.173A			21,423
Total for Special Education Cluster			1,737,045
Career and Technical Education - Basic Grants to States	84.048A	21420006227909	48,343
English Language Acquisition State Grants	84.365A	20671001227909	8,350
English Language Acquisition State Grants	84.365A	21671001227909	6,562
Total - 84.365A			14,912
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	20694501227909	5,852
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	21694501227909	97,650
Total - 84.367A			103,502
COVID-19 Education Stabilization Fund (ESSER)	84.425D	20521001227909	10,865
COVID-19 Education Stabilization Fund (PNP)	84.425D	52102012	7,320
COVID-19 Education Stabilization Fund (Prior Purchase Reimbursement Program)	84.425D	52102035	77,808
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	21521001227909	326,609
Total - 84.425D			422,602
Student Support and Academic Enrichment Program	84.424A	20680101227909	9,990
Total Passed Through Texas Education Agency			2,491,041
Total Department of Education			2,491,041
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster:			
Passed Through Texas Education Agency- National School Lunch Program	10.555	71302101	63,088
Passed Through Texas Department of Agriculture- COVID-19 National School Lunch Program (Emergency Operational Cost Reimbursement Program)	10.555	71302101	8,716
Passed Through the Texas Department of Human Services- Non-cash assistance - Food Distribution Program	10.555	71302101	44,610
Total - 10.555			116,414
Total Child Nutrition Cluster			116,414
Passed Through Texas Department of Agriculture- State Administrative Expenses for Child Nutrition	10.560	1071-1475042	5,203
Total Department of Agriculture			121,617
<u>U.S. Department of the Treasury</u>			
Passed Through Texas Division of Emergency Management- COVID-19 Coronavirus Relief Fund	21.019	2020-CF-21019/490	16,435
Total U.S. Department of the Treasury			16,435
Total Expenditures of Federal Awards			\$ 2,629,093

The accompanying notes are an integral part of this schedule.

Eanes Independent School District

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Eanes Independent School District (the "District") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

Basis of Accounting

The expenditures reported on the Schedule are reported using the modified accrual basis of accounting, with the exception of the National School Lunch Program, the Food Distribution Program, and the State Administrative Expenses for Child Nutrition Program. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Expenditures in the National School Lunch Program, the Food Distribution Program, and the State Administrative Expenses for Child Nutrition Program are not specifically attributable to this revenue source and are shown on the Schedule in an amount equal to revenue for balancing purposes only. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

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

Relationship to Basic Financial Statements

Expenditures of federal awards are reported in the District's basic financial statements in the General Fund and special revenue funds, with the exception of the National School Lunch Program, the Food Distribution Program, and the State Administrative Expenses for Child Nutrition Program which are accounted for in an enterprise fund.

Relationship to Federal Financial Reports

Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports in all significant respects.

Valuation of Non-cash Programs

The District values revenues and expenditures for the Food Distribution Program based on the value of commodities received.

Provider Relief Fund

The District incurred \$11,933 of expenditures related to the Provider Relief Fund during the year ended June 30, 2021, which is reflected in the District's basic financial statements in a special revenue fund. Based on the guidance from the *OMB Compliance Supplement*, since the District received the payment for the Provider Relief Fund in August 2020 which is not in Period 1 as defined in the *OMB Compliance Supplement*, expenditures are not reported on the Schedule.

Eanes Independent School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over the major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for the major federal programs:

Special Education Cluster

Unmodified

COVID-19 Education Stabilization Fund

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Eanes Independent School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Identification of the major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
	Special Education Cluster:
84.027A	Special Education Grants to States (IDEA - Part B, Formula)
84.027A	Special Education Grants to States (IDEA - Part B, Discretionary Residential)
84.027A	Special Education Grants to States (IDEA - Part B, High Cost Risk Pool)
84.173A	Special Education Preschool Grants (IDEA - Part B, Preschool)
84.425D	COVID-19 Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Eanes Independent School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section II - Financial Statement Findings

There were no findings required to be reported in accordance with *Government Auditing Standards* for the year ended June 30, 2021. There was one finding required to be reported in accordance with *Government Auditing Standards* for the year ended June 30, 2020. See the Summary Schedule of Prior Audit Finding for the current status of the finding reported.

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs required to be reported in accordance with 2 CFR 200.516(a) for the years ended June 30, 2021 and 2020.



Summary Schedule of Prior Audit Finding (Auditee Prepared)

Year Ending June 30, 2021

Finding 2020-001

Condition: The District must expend at least 55% of the Foundation School Program (“FSP”) funding allotment received for direct costs related to career and technical education programs. The District’s direct expenditures for career and technical education programs during the year ended June 30, 2020 totaled only 45% of the FSP funding allotment received.

Status: The District’s direct expenditures for the year ended June 30, 2021 for career and technical education programs totaled 89% of the FSP funding allotment received, which satisfied the expenditure requirement.