

SANTA ANNA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2020

Introductory Section

Santa Anna Independent School District
Annual Financial Report
For The Year Ended August 31, 2020

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CERTIFICATE OF BOARD

Santa Anna Independent School District
Name of School District

Coleman
County

042-903
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 August 31, 2020, at a meeting of the board of trustees of such school district on the 19th day of January, 2021.

Signature of Board Secretary

Signature of Board President

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

Financial Section

Burl D. Lowery
Certified Public Accountant
311 Center Avenue
Brownwood, Texas 76801

Independent Auditor's Report

To the Board of Trustees
Santa Anna Independent School District
701 Bowie Street
Santa Anna, Texas 76878

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Anna Independent School District ("the District") as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, I 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.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Anna Independent School District as of August 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Anna Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information 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 my opinion, the combining and individual nonmajor fund financial statements and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated January 6, 2021 on my consideration of Santa Anna Independent School District's internal control over financial reporting and on my 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 my 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 Santa Anna Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



Burl D. Lowery
Certified Public Accountant

Brownwood, TX 76801
January 6, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Santa Anna Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2020. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net assets were \$6,085,238 at August 31, 2020.
- During the year, the District's expenses were \$248,799, more than the \$3,981,530 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs increased by \$348,566 and its revenues decreases by \$12,166 during the current year.
- The general fund reported a fund balance this year of \$5,111,951.
- The District did not issue any new debt in the current year.

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 *agent* for the benefit of others, to whom the resources in question belong.

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.

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 assets includes all of the

government's assets and liabilities. All of the current year'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 information about the District's net assets and how they have changed. Net assets-the difference between the District's assets and liabilities- is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health 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. The District has no Proprietary Fund Types.
- We use *internal service funds* to report activities that provided workers compensation insurance for the District's employees.
- *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 assets and a statement of changes in fiduciary net assets. We excluded these activities from the District's government-wide financial statements because the District cannot use

these assets to finance its operations. These funds consist of student activity funds and belong to clubs and organizations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's combined net assets were \$ 6,085,238 at August 31, 2020 and \$6,334,037 at August 31, 2019.

The District has restricted net assets of \$79,124, which are restricted to future bond payments and state and federal programs which leaves \$3,163,617 of unrestricted net assets at August 31, 2020. The \$3,163,617 of unrestricted net assets represents funds available for future uses.

Changes in net assets. The District's total revenues were \$3,981,530. A significant portion, 28.9%, of the District's revenue comes from taxes. 53% comes from state available and foundation grants, while only 0.5% relates to charges for services.

The total cost of all programs and services was \$4,230,329; 54.8% of these costs are for instruction and instructional related services. (Expenditure Functions 11 and 12).

Governmental Activities

- Property tax rates decreased slightly during the current year. The taxable values decreased slightly which generated tax revenues of \$1,152,124.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types in the individual funds totaled \$3,861,925, a decrease of 2.7% over the preceding year. The decrease in local revenues is a result of a decrease in state revenue.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. Even with these adjustments, actual expenditures were \$269,338 below final budget amounts of the General Fund.

On the other hand, resources available were \$298,896 less than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the District had invested \$10,213,812 in a broad range of capital assets, including land, equipment buildings, and vehicles.

The District's fiscal year 2020-2021 budget does not include any major capital projects. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the District had \$1,055,000 outstanding long-term debt in bonds, \$281,906 in notes, net pension liability of \$887,866, and net OPEB liability of \$1,198,733. More detailed information about the District's debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2020-2021 budget preparation is slightly higher than the 2019-2020 tax roll. Tax revenue is expected to be approximately the same in 2020-2021.
- General operating fund spending decreases in the 2020-2021 budget from \$3,696,022 to \$3,668,417. This is a decrease of 0.97%.
- The District's 2020-2021 refined average daily attendance is expected to be approximately the same as 2019-2020.

These indicators were taken into account when adopting the general fund budget for 2020-2021. Amounts available for appropriation in the general fund budget are \$3,686,417, an increase of 1.6 percent over the final 2019-2020 budget of \$3,626,022. Property taxes should stay approximately same. State revenue will increase or decrease as the student population changes in size. The District will use these increases in revenues to finance programs we currently offer.

General fund expenditures are budgeted to decrease by approximately 0.97% as disclosed above. The District has added no major new programs or initiatives to the 2020-2021 budget.

If these estimates are realized, the District's budgetary general fund balance is not expected to materially change at the close of the 2020-2021 fiscal year.

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.

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**SANTA ANNA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS - TABLES
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

TABLE 1

	Governmental Activities	
	2020	2019
Current Assets:		
Cash and cash equivalents	\$5,374,468	\$5,480,744
Due from other governments	\$26,281	\$27,550
Property taxes receivable net of uncollectible	\$70,316	\$73,650
Other receivables	\$12,524	\$2,834
Unrealized expenditures	\$0	\$0
Total Current Assets	<u>\$5,483,589</u>	<u>\$5,584,778</u>
Noncurrent Assets:		
Land	\$62,531	\$62,531
Buildings	\$9,342,229	\$9,255,604
Equipment and vehicles	\$809,052	\$798,085
Construction in progress		\$0
	<u>\$10,213,812</u>	<u>\$10,116,220</u>
Less accumulated depreciation	<u>\$6,155,356</u>	<u>\$5,996,368</u>
Total Noncurrent Assets	<u>\$4,058,456</u>	<u>\$4,119,852</u>
Total Assets	<u><u>\$9,542,045</u></u>	<u><u>\$9,704,630</u></u>
Deferred Outflows of Resource	<u>\$725,298</u>	<u>\$200,628</u>
Current Liabilities:		
Accounts payable and accrued expenses		
Due to other governments	\$121,833	\$160,294
Unearned revenue	\$94,431	\$40,334
Total Current Liabilities	<u>\$216,264</u>	<u>\$200,628</u>
Long-term Liabilities:		
Bonds payable	\$875,000	\$935,000
Unamortized premium on bonds	\$59,053	\$63,973
Loans payable	\$281,906	\$294,535
Net pension liability	\$887,886	\$935,399
Net OPEB liability	\$1,198,733	\$1,217,409
Total Long-term Liabilities	<u>\$3,302,578</u>	<u>\$3,446,316</u>
Total Liabilities	<u>\$3,518,842</u>	<u>\$3,646,944</u>
Deferred Inflows of Resources	<u>\$663,263</u>	<u>\$436,229</u>
Net Assets:		
Invested in capital assets	\$2,842,497	\$2,826,344
Restricted for state and federal programs	\$19,306	\$34,271
Restricted for debt service	\$59,818	\$64,269
Unrestricted	\$3,163,617	\$3,409,153
Total Net Position	<u><u>\$6,085,238</u></u>	<u><u>\$6,334,037</u></u>

**SANTA ANNA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - TABLES
TABLE 2**

CHANGES IN NET ASSETS

	Governmental Activities	
	2020	2019
Program Revenues:		
Charges for services	\$20,077	\$38,060
Operating grants and contributions	\$574,061	\$817,956
Capital grants and contributions		
General Revenues:		
Property taxes	\$1,152,124	\$1,255,438
State aid	\$2,126,693	\$1,819,864
Investment earnings	\$32,777	\$29,641
Other revenues	\$75,798	\$32,737
Total Revenues	\$3,981,530	\$3,993,696
Expenditures:		
Instruction	\$2,279,853	\$1,979,934
Instructional resources and media services	\$39,914	\$37,850
Curriculum and staff development	\$54,067	\$47,447
Instructional leadership		
School leadership	\$238,410	\$239,942
Guidance and counseling services	\$79,440	\$63,154
Social work services	\$652	
Health services	\$15,947	\$17,964
Student transportation	\$118,728	\$131,065
Food services	\$191,709	\$185,042
Cocurricular/Extracurricular activities	\$121,865	\$134,951
General administration	\$330,726	\$290,246
Plant maintenance & operation	\$449,314	\$480,159
Security and monitoring services	\$11,722	\$4,128
Data processing services	\$129,868	\$114,373
Community services		
Debt services	\$35,247	\$36,410
Payments to fiscal agent/member districts SSA	\$89,057	\$80,108
Other intergovernmental charges	\$43,810	\$38,990
Total Expenditures	\$4,230,329	\$3,881,763
Excess (Deficiency) Before Other Resources, Uses, and Transfers	(\$248,799)	\$111,933
Other Resources (Uses)		
Other Resources (Uses)		(\$16,828)
Extraordinary items - net	\$0	\$65,472
Increase (Decrease) in Net Assets	(\$248,799)	\$160,577
Net Position - Beginning	\$6,334,037	\$6,173,460
Prior period adjustments		
Net Position - Ending	\$6,085,238	\$6,334,037

**SANTA ANNA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - TABLES
TABLE 3**

CAPITAL ASSETS

	Governmental Activities	
	2020	2019
Land	\$62,531	\$62,531
Buildings and improvements	\$9,342,229	\$9,255,604
Equipment and vehicles	\$809,052	\$798,085
Total Capital Assets	\$10,213,812	\$10,116,220
Total Accumulated Depreciation	\$6,155,356	\$5,996,368
Net Capital Assets	\$4,058,456	\$4,119,852

TABLE 4

LONG-TERM DEBT

	Governmental Activities	
	2020	2019
Bonds payable	\$875,000	\$935,000
Unamortized bond premiums	\$59,053	\$63,973
Loans payable	\$281,906	\$294,535
Net pension liability	\$887,886	\$935,399
Net OPEB liability	\$1,198,733	\$1,217,409
Total Long-term Debt	\$3,302,578	\$3,446,316

Basic Financial Statements

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2020

1

Data Control Codes		Governmental Activities
	ASSETS:	
1110	Cash and Cash Equivalents	\$ 5,374,468
1225	Property Taxes Receivable (Net)	70,316
1240	Due from Other Governments	26,281
1250	Accrued Interest	1,274
1290	Other Receivables (Net)	11,250
	Capital Assets:	
1510	Land	62,531
1520	Buildings and Improvements, Net	3,954,801
1530	Furniture and Equipment, Net	41,124
1000	Total Assets	<u>9,542,045</u>
	DEFERRED OUTFLOWS OF RESOURCES:	
	Deferred Outflow Related to Pensions	489,118
	Deferred Outflow Related to OPEB	236,180
1700	Total Deferred Outflows of Resources	<u>725,298</u>
	LIABILITIES:	
2110	Accounts Payable	8,010
2165	Accrued Liabilities	113,823
2300	Unearned Revenue	94,431
	Noncurrent Liabilities:	
2501	Due Within One Year	72,161
2502	Due in More Than One Year	1,143,798
2540	Net Pension Liability	887,886
2545	Net OPEB Liability	1,198,733
2000	Total Liabilities	<u>3,518,842</u>
	DEFERRED INFLOWS OF RESOURCES:	
	Deferred Revenue	
	Deferred Inflow Related to Pensions	144,673
	Deferred Inflow Related to OPEB	518,590
2600	Total Deferred Inflows of Resources	<u>663,263</u>
	NET POSITION:	
3200	Net Investment in Capital Assets	2,842,497
	Restricted For:	
3820	State and Federal Programs	19,306
3850	Debt Service	59,818
3900	Unrestricted	3,163,617
3000	Total Net Position	<u>\$ 6,085,238</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Governmental Activities		
	Governmental Activities:					
11	Instruction	\$ 2,279,853	\$ --		\$ 361,507	\$ (1,918,346)
12	Instructional Resources and Media Services	39,914	--		1,208	(38,706)
13	Curriculum and Staff Development	54,067	--		--	(54,067)
23	School Leadership	238,410	--		9,733	(228,677)
31	Guidance, Counseling, & Evaluation Services	79,440	--		3,253	(76,187)
32	Social Work Services	652	--		--	(652)
33	Health Services	15,947	--		470	(15,477)
34	Student Transportation	118,728	--		3,216	(115,512)
35	Food Service	191,709	8,035		149,946	(33,728)
36	Cocurricular/Extracurricular Activities	121,865	12,042		2,681	(107,142)
41	General Administration	330,726	--		13,659	(317,067)
51	Facilities Maintenance and Operations	449,314	--		5,351	(443,963)
52	Security and Monitoring Services	11,722	--		--	(11,722)
53	Data Processing Services	129,868	--		5,945	(123,923)
72	Interest on Long-term Debt	34,847	--		17,092	(17,755)
73	Bond Issuance Costs and Fees	400	--		--	(400)
93	Payments Related to Shared Services Arrangements	89,057	--		--	(89,057)
99	Other Intergovernmental Charges	43,810	--		--	(43,810)
TG	Total Governmental Activities	<u>4,230,329</u>	<u>20,077</u>		<u>574,061</u>	<u>(3,636,191)</u>
TP	Total Primary Government	<u>\$ 4,230,329</u>	<u>\$ 20,077</u>		<u>\$ 574,061</u>	<u>(3,636,191)</u>
	General Revenues:					
MT	Property Taxes, Levied for General Purposes					1,076,277
DT	Property Taxes, Levied for Debt Service					75,847
IE	Investment Earnings					32,777
GC	Grants and Contributions Not Restricted to Specific Programs					2,126,693
MI	Miscellaneous					75,798
TR	Total General Revenues					<u>3,387,392</u>
CN	Change in Net Position					<u>(248,799)</u>
NB	Net Position - Beginning					<u>6,334,037</u>
NE	Net Position - Ending					<u>\$ 6,085,238</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 5,304,781	\$ 69,676	\$ 5,374,457
1225	Taxes Receivable, Net	65,101	5,215	70,316
1240	Due from Other Governments	--	26,281	26,281
1250	Accrued Interest	1,274	--	1,274
1290	Other Receivables	10,343	907	11,250
1000	Total Assets	5,381,499	102,079	5,483,578
LIABILITIES:				
Current Liabilities:				
2150	Payroll Deductions & Withholdings	\$ 727	\$ --	\$ 727
2160	Accrued Wages Payable	93,359	16,572	109,931
2170	Due to Other Funds	13,934	--	13,934
2200	Accrued Expenditures	1,997	1,168	3,165
2300	Unearned Revenue	94,431	--	94,431
2000	Total Liabilities	204,448	17,740	222,188
DEFERRED INFLOWS OF RESOURCES:				
	Deferred Revenue	65,100	5,215	70,315
2600	Total Deferred Inflows of Resources	65,100	5,215	70,315
FUND BALANCES:				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	19,306	19,306
3480	Retirement of Long-Term Debt	--	59,818	59,818
Committed Fund Balances:				
3510	Construction	2,550,000	--	2,550,000
3600	Unassigned	2,561,951	--	2,561,951
3000	Total Fund Balances	5,111,951	79,124	5,191,075
	Total Liabilities, Deferred Inflow			
4000	of Resources and Fund Balances	5,381,499	102,079	5,483,578

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2020

Total fund balances - governmental funds balance sheet	\$ 5,191,075
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	4,058,456
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	70,315
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	5,934
Payables for bond principal which are not due in the current period are not reported in the funds.	(875,000)
Payables for notes which are not due in the current period are not reported in the funds.	(281,906)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(887,886)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(144,672)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	489,118
Bond premiums are amortized in the SNA but not in the funds.	(59,053)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(1,198,733)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(518,590)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	<u>236,180</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 6,085,238</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	10	Other	98
	General Fund	Governmental Funds	Total Governmental Funds
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 1,200,433	\$ 83,630	\$ 1,284,063
5800 <i>State Program Revenues</i>	2,119,273	29,468	2,148,741
5900 <i>Federal Program Revenues</i>	7,420	421,701	429,121
5020 Total Revenues	<u>3,327,126</u>	<u>534,799</u>	<u>3,861,925</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	1,739,067	285,629	2,024,696
0012 <i>Instructional Resources and Media Services</i>	35,710	--	35,710
0013 <i>Curriculum and Staff Development</i>	52,176	--	52,176
0023 <i>School Leadership</i>	207,693	--	207,693
0031 <i>Guidance, Counseling, & Evaluation Services</i>	69,221	--	69,221
0033 <i>Health Services</i>	14,894	--	14,894
0034 <i>Student Transportation</i>	116,520	--	116,520
0035 <i>Food Service</i>	5,829	167,968	173,797
0036 <i>Cocurricular/Extracurricular Activities</i>	110,708	--	110,708
0041 <i>General Administration</i>	291,073	2,806	293,879
0051 <i>Facilities Maintenance and Operations</i>	419,929	--	419,929
0052 <i>Security and Monitoring Services</i>	11,230	--	11,230
0053 <i>Data Processing Services</i>	112,742	674	113,416
0071 <i>Principal on Long-term Debt</i>	12,628	60,000	72,628
0072 <i>Interest on Long-term Debt</i>	7,772	31,995	39,767
0073 <i>Bond Issuance Costs and Fees</i>	--	400	400
0081 <i>Capital Outlay</i>	86,625	--	86,625
0093 <i>Payments to Shared Service Arrangements</i>	89,057	--	89,057
0099 <i>Other Intergovernmental Charges</i>	43,810	--	43,810
6030 Total Expenditures	<u>3,426,684</u>	<u>549,472</u>	<u>3,976,156</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	(99,558)	(14,673)	(114,231)
1200 Net Change in Fund Balances	<u>(99,558)</u>	<u>(14,673)</u>	<u>(114,231)</u>
0100 Fund Balances - Beginning	5,211,509	93,797	5,305,306
3000 Fund Balances - Ending	<u>\$ 5,111,951</u>	<u>\$ 79,124</u>	<u>\$ 5,191,075</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2020*

Net change in fund balances - total governmental funds	\$ (114,231)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	97,542
The depreciation of capital assets used in governmental activities is not reported in the funds.	(158,988)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(3,287)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	60,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	12,628
The net revenue (expense) of internal service funds is reported with governmental activities.	742
Bond premiums are reported in the funds but not in the SOA.	4,920
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(120,821)
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>(27,305)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (248,799)</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AUGUST 31, 2020

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	ASSETS:	
	Current Assets:	
1110	Cash and Cash Equivalents	\$ 10
	Receivables:	
1260	Due from Other Funds	13,934
	Total Current Assets	<u>13,944</u>
1000	Total Assets	<u>13,944</u>
	LIABILITIES:	
	Current Liabilities:	
2110	Accounts Payable	\$ 8,010
	Total Current Liabilities	<u>8,010</u>
2000	Total Liabilities	<u>8,010</u>
	NET POSITION:	
3900	Unrestricted	5,934
3000	Total Net Position	<u>\$ 5,934</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	OPERATING REVENUES:	
5700	<i>Local and Intermediate Sources</i>	\$ 1,442
5020	Total Revenues	<u>1,442</u>
	OPERATING EXPENSES:	
6100	<i>Payroll Costs</i>	700
6030	Total Expenses	<u>700</u>
1300	Change in Net Position	742
0100	Total Net Position - Beginning	5,192
3300	Total Net Position - Ending	<u>\$ 5,934</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Internal Service Funds
Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ --
<i>Cash Received from Grants</i>	--
<i>Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds</i>	1,442
<i>Cash Payments to Employees for Services</i>	(1,442)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	--
<i>Cash Payments for Grants to Other Organizations</i>	--
<i>Other Operating Cash Receipts (Payments)</i>	--
Net Cash Provided (Used) by Operating Activities	<u> --</u>
Cash Flows from Non-capital Financing Activities:	
<i>Proceeds (Payments) from (for) Borrowings</i>	--
<i>Operating Grants Received</i>	--
<i>Transfers From (To) Primary Government</i>	--
<i>Transfers From (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u> --</u>
Cash Flows from Capital and Related Financing Activities:	
<i>Proceeds from Issuance of Long-term Debt</i>	--
<i>Principal and Interest Paid</i>	--
<i>Acquisition or Construction of Capital Assets</i>	--
<i>Proceeds from Sale of Capital Assets</i>	--
<i>Contributed Capital</i>	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u> --</u>
Cash Flows from Investing Activities:	
<i>Purchase of Investment Securities</i>	--
<i>Proceeds from Sale and Maturities of Securities</i>	--
<i>Interest and Dividends on Investments</i>	--
Net Cash Provided (Used) for Investing Activities	<u> --</u>
Net Increase (Decrease) in Cash and Cash Equivalents	--
Cash and Cash Equivalents at Beginning of Year	10
Cash and Cash Equivalents at End of Year	<u>\$ 10</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income (Loss)	\$ 742
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
<i>Depreciation</i>	--
<i>Provision for Uncollectible Accounts</i>	--
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	--
<i>Decrease (Increase) in Prepaid Expenses</i>	--
<i>Increase (Decrease) in Accounts Payable</i>	(742)
<i>Increase (Decrease) in Payroll Deductions</i>	--
<i>Increase (Decrease) in Unearned Revenue</i>	--
Total Adjustments	<u> (742)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AUGUST 31, 2020

Data Control Codes		<u>Custodial Fund</u>
		<u>Student Activity</u>
	ASSETS:	
1110	<i>Cash and Cash Equivalents</i>	\$ 30,774
1000	Total Assets	<u>30,774</u>
	LIABILITIES:	
	Current Liabilities:	
2190	<i>Due to Student Groups</i>	\$ 30,774
2000	Total Liabilities	<u>30,774</u>
	NET POSITION:	
9000	Total Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. **Measurement Focus, Basis of Accounting**

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. **Financial Statement Amounts**

a. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. **Property Taxes**

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

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

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

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. Interfund Activity

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

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

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

k. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

I. Fund Balance Flow Assumptions

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

4. 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.

5. Other Post-Employment Benefits

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

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

GASB Statement No. 83, Certain Asset Retirement Obligations

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

The District does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

7. Future Implementation of New Standards

In order to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* is currently in effect to postpone the effective dates of certain provisions in Statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

The effective dates for the following pronouncements are postponed by one year:

Statement No. 84, *Fiduciary Activities*

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 90, *Majority Equity Interests*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

The effective dates for the following pronouncements are postponed by 18 months:

Statement No. 87, *Leases*

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

C. Deposits and Investments

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

1. Cash Deposits:

At August 31, 2020, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,404,006 and the bank balance was \$5,452,489. The District's cash deposits at August 31, 2020 and during the year ended August 31, 2020, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

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

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

The District's investment at August 31, 2020 is shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	Less Than one Year	\$ 2,000,000
Total Investments		<u>\$ 2,000,000</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. 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 rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

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At August 31, 2020, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

Certificate of Deposit \$2,000,000

Secured by FDIC and Pledged Securities

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

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D. Capital Assets

Capital asset activity for the year ended August 31, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 62,531	\$ --	\$ --	\$ 62,531
Construction in progress	--	--	--	--
Total capital assets not being depreciated	<u>62,531</u>	<u>--</u>	<u>--</u>	<u>62,531</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	9,255,604	86,625	--	9,342,229
Equipment	119,454	--	--	119,454
Vehicles	678,631	10,967	--	689,598
Total capital assets being depreciated	<u>10,053,689</u>	<u>97,592</u>	<u>--</u>	<u>10,151,281</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,246,971)	--	140,456	(5,387,427)
Equipment	(106,358)	--	2,024	(108,381)
Vehicles	(643,039)	--	16,508	(659,547)
Total accumulated depreciation	<u>(5,996,368)</u>	<u>--</u>	<u>158,988</u>	<u>(6,155,356)</u>
Total capital assets being depreciated, net	<u>4,057,321</u>	<u>97,592</u>	<u>158,988</u>	<u>3,995,925</u>
Governmental activities capital assets, net	<u>\$ 4,119,852</u>	<u>\$ 97,592</u>	<u>\$ 158,988</u>	<u>\$ 4,058,456</u>

Depreciation was charged to functions as follows:

Instruction	\$ 88,976
Instructional Resources and Media Services	1,520
Curriculum and Staff Development	1,891
School Leadership	9,140
Guidance, Counseling, & Evaluation Services	3,031
Social Work Services	652
Student Transportation	5,979
Food Services	6,988
Extracurricular Activities	5,243
General Administration	12,831
Plant Maintenance and Operations	17,497
Security and Monitoring Services	492
Data Processing Services	4,748
	<u>\$ 158,988</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2020, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ --	Short-term loans
Other Governmental Funds	General Fund	13,934	Workers Compensation
	Other Balances	--	
	Total	<u>\$ 13,934</u>	

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All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2020, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Debt service fund	\$ --	Provide resources for repayment of certificates of participation
General fund	Other Governmental Funds	--	Pay debt service on health insurance financing bonds
General fund	Other Governmental Funds	--	Supplement other funds sources
Major fund (specify fund name)	General Fund	--	Reimburse expenditures
Other Governmental Funds	Other Governmental Funds	--	Supplement other funds sources
	Total	\$ --	

F. Short-Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources. The District has no short-term debt.

G. Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2020, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 935,000	\$ --	\$ 60,000	\$ 875,000	\$ 60,000
Bond premiums	63,973	--	4,920	59,053	--
Notes	294,535	--	12,629	281,906	12,163
Compensated absences *	--	--	--	--	--
Claims and judgments *	--	--	--	--	--
Net Pension Liability *	935,399	--	47,513	887,886	--
Net OPEB liability	1,217,409	--	18,676	1,198,733	--
Direct Placements	--	--	--	--	--
Total governmental activities	\$ 3,446,316	\$ --	\$ 143,738	\$ 3,302,578	\$ 72,163

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	N/A
Claims and judgments	Governmental	General
Net Pension Liability *	Governmental	General
Compensated absences	Business-type	N/A
Claims and judgments	Business-type	N/A

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2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2020, are as follows:

Year Ending August 31,	Governmental Activities				Total
	Bonds		Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	
2021	\$ 72,163	38,883		\$	\$ 111,046
2022	77,529	36,417			113,946
2023	77,906	34,390			112,296
2024	83,295	32,051			115,346
2025	83,695	29,201			112,896
2026-2030	452,357	101,040			553,397
2031-2035	233,752	26,008			259,760
2036-2040	76,210	5,649			81,859
2041-2045					--
2046-2050					--
Totals	\$ 1,156,906	\$ 303,638	\$ --	\$ --	\$ 1,460,544

Interest rates on bonds range from 0.75% to 3.75%.

The District purchased four manufactured homes during the 2017-2018 fiscal year to be used for rental housing for school employees. The District borrowed the funds for the homes from the depository bank. The total of the loans for houses was \$308,330. Monthly note payments total \$1,700. The interest rate on the loans is 2.97% at August 31, 2020. The loans are secured by the certificate of deposit owned by the District. The variable rate loans are at the rate of 2.0% above the rate of the certificate of deposit and will change every year in July. The interest rate changed from 2.75% at July 26, 2019 to 2.97% at July 26, 2020.

3. Capital Leases

The District has no capital leases.

H. Commitments Under Noncapitalized Leases

The District has no noncapitalized leases.

\$

I. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

J. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding

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

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

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1.) above.

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

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

4. Contributions

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

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

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	<u>Contribution Rates</u>	
	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2019 Employer Contributions	\$ 81,500	
District's 2019 Member Contributions	\$ 115,701	
2019 NECE On-Behalf Contributions (state)	\$ 90,887	

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.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution

5. Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
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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 2019	2.63%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
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, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

6. Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on 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 session. It is assumed that 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 the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	FY 2019 Target Allocation *	New Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***
Global Equity			
USA	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries ****	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	0.0%	0.0%	0.0%
Real Return			
Global Inflation Linked Bonds ****	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources & Infrastructure	5.0%	6.0%	7.3%

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Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	8.0%	5.8%/6.5%*****
Leverage			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
Expected Return	100.0%	100.0%	7.23%
<p>* Target allocations are based on the Strategic Asset Allocation as of FY2019 ** New allocations are based on the Strategic Asset Allocation to be implemented FY2020 *** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1% **** New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds ***** 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility</p>			

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability:	\$ 1,364,809	\$ 887,886	\$ 501,486

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

At August 31, 2020, the District reported a liability of \$887,886 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	\$ 887,886
State's proportionate share that is associated with District	<u>1,349,896</u>
Total	<u>\$ 2,237,782</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.0017080269%. which was an increase (decrease) of 0.0086269% from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation -

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would

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impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.

- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the year ended August 31, 2020, the District recognized pension expense of \$212,050 and revenue of \$212,050 for support provided by the State.

At August 31, 2020, 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	\$ 3,730	\$ 30,829
Changes in actuarial assumptions	275,466	113,835
Difference between projected and actual investment earnings	8,915	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	119,507	8
Contributions paid to TRS subsequent to the measurement date	<u>81,500</u>	<u>--</u>
Total	<u>\$ 489,118</u>	<u>\$ 144,672</u>

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

Year Ended August 31	Pension Expense Amount
2021	\$ 70,969
2022	\$ 60,169
2023	\$ 63,775
2024	\$ 55,418
2025	\$ 20,607
Thereafter	\$ (7,992)

K. Defined Other Post-Employment Benefit Plans

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Com-

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prehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf>, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

3. Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

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

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

4. 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 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2019	2020
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%

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District's 2020 Employer Contributions	\$	15,166
District's 2020 Member Contributions	\$	13,144
2019 NECE On-Behalf Contributions (state)	\$	17,990

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. 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 valuations performed for the pension plan, except that the OPEB valuation is more complex. All of 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 identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation *
Healthcare Trend Rates	7.30% **
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. ***
Ad Hoc Post-Employment Benefit Changes	None

* Includes inflation at 2.5%.

**7.3% for FY2020, 7.4% for FY 2021, 7.0% for FY 2022, decreasing 0.5% per year to an ultimate rate of 4.5% for FY 2027 and later years.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

*** 25% of pre-65 retirees are assumed to discontinue coverage at age 65.

6. Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was an increase of 1.06% 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.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of net OPEB liability	\$ 1,447,256	\$ 1,198,734	\$ 1,004,314

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

At August 31, 2020, the District reported a liability of \$41,569 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	\$ 1,198,733
State's proportionate share that is associated with the District	<u>\$ 1,592,849</u>
Total	<u>\$ 2,791,582</u>

The Net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2020 the District's proportion of the collective net OPEB liability was 0.0025347911, compared to 0.002438 at August 31, 2018.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
District's proportionate share of net OPEB liability	\$ 977,885	\$ 1,198,734	\$ 1,494,570

9. 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 (TOL) since the prior measurement period:

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

- The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$41,981 and revenue of \$41,981 for support provided by the State.

At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 58,808	\$ 196,160
Changes in actuarial assumptions	66,580	322,430
Differences between projected and actual investment earnings	130	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	93,146	--
Contributions paid to TRS subsequent to the measurement date	17,516	
Total	\$ 236,180	\$ 518,590

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

Year ended August 31,	OPEB Expense Amount
2021	\$ (53,847)
2022	\$ (53,847)
2023	\$ (53,889)
2024	\$ (53,913)
2025	\$ (53,906)
Thereafter	\$ (30,523)

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the current fiscal year ended August 31, 2020, the subsidy payment received by TRS-Care on behalf of the District was \$8,738.

L. Employee Health Care Coverage

During the year ended August 31, 2020, employees of the District were covered by TRS ActiveCare, a self-funded health coverage plan. The District contributed \$150 from District funds and \$75 from State funds per month per employee. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to the Teacher Retirement System ActiveCare fund.

TRS ActiveCare operates under the authority of the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and the Administrative Code, Title 34, Part 3, Chapter 41. The statewide health coverage program for public school employees and their dependents was established in 2002 when the 77th Texas Legislature enacted the Texas School Employees Uniform Group Benefits Act (H.B. 3343). TRS ActiveCare is available to all public schools, charter schools with open enrollment, regional service centers, and certain other employers.

The TRS ActiveCare is administered by Aetna Life Insurance Company, with pharmacy benefits managed by CVS Caremark. Aetna and CVS Caremark administer the plan but TRS pays the claims out of the TRS ActiveCare Fund.

Latest financial statements for the self insurance fund are available for the year ended August 31, 2019, through the website for the Teacher Retirement System and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

M. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at August 31, 2020.

N. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for a special education program with the following school districts:

Member Districts
Early ISD - fiscal agent
Blanket ISD
Zephyr ISD

Bangs ISD
Santa Anna ISD

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Early ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

O. Subsequent Events

Management has reviewed all transactions and events from August 31, 2020 to January 6, 2021. There were no items identified that require disclosure in the financial statements.

P. Committed Fund Balances

The District's Board of Trustees have committed \$2,550,000 of the General Fund's fund balance for future construction and renovations.

Q. Auto, Liability, and Property Insurance

During the year ended August 31, 2020 the Santa Anna Independent School District participated in the Public Educators Association of Texas Interlocal Cooperation Contract for property and liability coverage through its Insurance Joint Fund.

Auto Liability
Auto Physical Damage
Legal Liability
Privacy & Information Security
Property

The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund provides insurance and reinsurance coverage pursuant to Chapter 791 of the Texas Government Code Concerning Provision of Certain Insurance Coverages and reinsurance of such coverages to coordinate and assist political subdivisions for requests for proposals as respect to insurance coverages, and to assist in procuring the optimum insurance coverage at the lowest possible premium.

R. Unemployment Compensation

During the year ended August 31, 2020 the Santa Anna ISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its obligations to the Texas Workforce Commission. Expenses are accrued each month until quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation pool members.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is approved by the Fund's Board of Trustees in February of the following year. The Fund's August 31, 2019 audited financial statements are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

S. Workers Compensation

The District is a participant in the North Texas Educational Insurance Workers' Compensation Self-Insurance Fund. The purpose of the Fund is to provide statutory benefits for the fund members employees through self-insurance of workers compensation prescribed by Article 8309h, Revised Civil Statutes of Texas, as amended.

The interlocal agreement between the Santa Anna Independent School District and the North Texas Educational Insurance Association Workers Compensation Self-Insurance Fund is for a term beginning September 1, 2019 and ending September 1, 2020. Either party may terminate the agreement upon 60 days written notification with the termination becoming effective at the end of the plan currently in force.

The required contribution for each plan sponsor is based on the State Board of Insurance Workers' Compensation rates for the various payroll classifications included in the fund members annual payroll. The interlocal agreement states that the Santa Anna Independent School district's maximum loss exposure for 2019-2020 is \$13,477. These losses are appropriated in the financial records of the District.

The pooled-risk self-insurance fund is governed by a six member board. Any excess of the cumulative contributions and investment earnings of all fund members are available for reduction of annual contributions. The District has fixed costs of \$3,984 in the contract and the Board has the right to adjust the stop loss provision. All claims are processed and paid by a servicing contractor employed by the Fund. The District has estimated claims of \$8,010 at August 31, 2020. These estimated claims are recorded as a liability in the District's internal service fund and include incurred claims and estimated unincurred claims at August 31, 2020.

T. Due from Other Governments

The District has the following amounts due from other governments at August 31, 2020:

General Fund:	
State Sources	--
Special Revenue Fund:	
State Sources	--
Federal Sources	\$26,281
	<hr/>
Total	<u>\$26,281</u>

U. Unearned Revenue in Individual Funds

The District has the following amounts of deferred revenue in its individual funds at August 31, 2020:

General Fund:	
Property taxes	\$65,100
State Foundation	--
Debt Service Fund:	
Property taxes	\$5,214
	<hr/>
Total	<u>\$70,314</u>
Overpaid state foundation revenue for 2019-2020	<u>\$94,431</u>

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT G-1
Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,250,672	\$ 1,250,672	\$ 1,200,433	\$ (50,239)
5800	State Program Revenues	2,357,350	2,357,350	2,119,273	(238,077)
5900	Federal Program Revenues	18,000	18,000	7,420	(10,580)
5020	Total Revenues	<u>3,626,022</u>	<u>3,626,022</u>	<u>3,327,126</u>	<u>(298,896)</u>
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	1,846,750	1,839,756	1,739,067	100,689
0012	Instructional Resources and Media Services	37,117	38,117	35,710	2,407
0013	Curriculum and Staff Development	45,393	54,443	52,176	2,267
	Total Instruction & Instr. Related Services	<u>1,929,260</u>	<u>1,932,316</u>	<u>1,826,953</u>	<u>105,363</u>
Instructional and School Leadership:					
0023	School Leadership	246,527	245,527	207,693	37,834
	Total Instructional & School Leadership	<u>246,527</u>	<u>245,527</u>	<u>207,693</u>	<u>37,834</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	73,618	73,618	69,221	4,397
0033	Health Services	21,710	21,710	14,894	6,816
0034	Student (Pupil) Transportation	203,142	183,142	116,520	66,622
0035	Food Services	5,922	5,922	5,829	93
0036	Cocurricular/Extracurricular Activities	32,700	130,758	110,708	20,050
	Total Support Services - Student (Pupil)	<u>337,092</u>	<u>415,150</u>	<u>317,172</u>	<u>97,978</u>
Administrative Support Services:					
0041	General Administration	297,649	297,649	291,073	6,576
	Total Administrative Support Services	<u>297,649</u>	<u>297,649</u>	<u>291,073</u>	<u>6,576</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	401,205	421,205	419,929	1,276
0052	Security and Monitoring Services	12,500	12,500	11,230	1,270
0053	Data Processing Services	111,725	111,275	112,742	(1,467)
	Total Support Services - Nonstudent Based	<u>525,430</u>	<u>544,980</u>	<u>543,901</u>	<u>1,079</u>
Debt Service:					
0071	Principal on Long-Term Debt	16,000	16,000	12,628	3,372
0072	Interest on Long-Term Debt	4,400	4,400	7,772	(3,372)
	Total Debt Service	<u>20,400</u>	<u>20,400</u>	<u>20,400</u>	<u>--</u>
Capital Outlay:					
0081	Capital Outlay	30,000	105,000	86,625	18,375
	Total Capital Outlay	<u>30,000</u>	<u>105,000</u>	<u>86,625</u>	<u>18,375</u>
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist.-SSA	88,000	90,000	89,057	943
0099	Other Intergovernmental Charges	45,000	45,000	43,810	1,190
	Total Intergovernmental Charges	<u>133,000</u>	<u>135,000</u>	<u>132,867</u>	<u>2,133</u>
6030	Total Expenditures	<u>3,519,358</u>	<u>3,696,022</u>	<u>3,426,684</u>	<u>269,338</u>
1100	Excess (Deficiency) of Revenues Over (Under)				

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT G-1
 Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Expenditures	106,664	(70,000)	(99,558)	(29,558)
1200	Net Change in Fund Balance	106,664	(70,000)	(99,558)	(29,558)
0100	Fund Balance - Beginning	5,211,509	5,211,509	5,211,509	--
3000	Fund Balance - Ending	\$ 5,318,173	\$ 5,141,509	\$ 5,111,951	\$ (29,558)

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEXAS TEACHER RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

EXHIBIT G-2

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.00170827%	0.00169942%	0.00153908%	0.00150432%	0.00143430%	0.00072600%
District's proportionate share of the net pension liability (asset)	\$ 887,886	\$ 935,399	\$ 492,114	\$ 568,460	\$ 507,006	\$ 203,701
State's proportionate share of the net pension liability (asset) associated with the District	1,349,896	1,428,760	929,976	1,129,520	1,116,790	965,705
Total	\$ 2,237,782	\$ 2,364,159	\$ 1,422,090	\$ 1,697,980	\$ 1,623,796	\$ 1,169,406
District's covered-employee payroll	\$ 1,885,209	\$ 1,798,703	\$ 1,771,031	\$ 1,719,696	\$ 1,633,994	\$ 1,615,502
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.10%	52.00%	27.79%	33.06%	31.03%	12.61%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	76.43%	78.43%	83.25%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEXAS TEACHER RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

EXHIBIT G-3

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 81,500	\$ 60,243	\$ 57,587	\$ 50,441	\$ 47,796	\$ 41,470
Contributions in relation to the contractually required contribution	(81,500)	(60,243)	(57,587)	(50,441)	(47,796)	(41,470)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 2,022,084	\$ 1,885,209	\$ 1,798,702	\$ 1,771,031	\$ 1,719,697	\$ 1,633,994
Contributions as a percentage of covered-employee payroll	4.03%	3.20%	3.20%	2.85%	2.78%	2.54%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEXAS TEACHER RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

EXHIBIT G-4

	Measurement Year Ended		
	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0025347911%	0.0024381862%	0.0023554479%
District's proportionate share of the collective net OPEB liability	\$ 1,198,733	\$ 1,217,409	\$ 1,024,296
State proportionate share of the collective net OPEB liability associated with the District	\$ 1,592,849	\$ 1,387,928	\$ 1,264,945
Total	\$ 2,791,582	\$ 2,605,337	\$ 2,289,241
District's covered-employee payroll	\$ 1,885,209	\$ 1,798,703	\$ 1,771,031
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	63.59%	67.68%	57.84%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEXAS TEACHER RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

EXHIBIT G-5

	Fiscal Year Ended		
	2020	2019	2018
Statutorily or contractually required District contribution	\$ 17,516	\$ 18,074	\$ 16,884
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(17,516)	(18,074)	(16,884)
Contribution deficiency (excess)	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 2,022,084	\$ 1,885,209	\$ 1,798,703
Contributions as a percentage of covered-employee payroll	0.87%	0.96%	0.94%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2020*

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

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

Other Post-Employment Benefit Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 10,532	\$ 59,144	\$ 69,676
1225	Taxes Receivable, Net	--	5,215	5,215
1240	Due from Other Governments	26,281	--	26,281
1290	Other Receivables	233	674	907
1000	Total Assets	37,046	65,033	102,079
LIABILITIES:				
Current Liabilities:				
2160	Accrued Wages Payable	\$ 16,572	\$ --	\$ 16,572
2200	Accrued Expenditures	1,168	--	1,168
2000	Total Liabilities	17,740	--	17,740
DEFERRED INFLOWS OF RESOURCES:				
Deferred Revenue				
2600	Total Deferred Inflows of Resources	--	5,215	5,215
FUND BALANCES:				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	19,306	--	19,306
3480	Retirement of Long-Term Debt	--	59,818	59,818
3000	Total Fund Balances	19,306	59,818	79,124
Total Liabilities, Deferred Inflow				
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 37,046	\$ 65,033	\$ 102,079

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes		Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:				
5700	Local and Intermediate Sources	\$ 8,035	\$ 75,595	\$ 83,630
5800	State Program Revenues	12,376	17,092	29,468
5900	Federal Program Revenues	421,701	--	421,701
5020	Total Revenues	<u>442,112</u>	<u>92,687</u>	<u>534,799</u>
EXPENDITURES:				
Current:				
0011	Instruction	285,629	--	285,629
0035	Food Service	167,968	--	167,968
0041	General Administration	2,806	--	2,806
0053	Data Processing Services	674	--	674
0071	Principal on Long-term Debt	--	60,000	60,000
0072	Interest on Long-term Debt	--	31,995	31,995
0073	Bond Issuance Costs and Fees	--	400	400
6030	Total Expenditures	<u>457,077</u>	<u>92,395</u>	<u>549,472</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(14,965)	292	(14,673)
1200	Net Change in Fund Balances	<u>(14,965)</u>	<u>292</u>	<u>(14,673)</u>
0100	Fund Balances - Beginning	34,271	59,526	93,797
3000	Fund Balances - Ending	<u>\$ 19,306</u>	<u>\$ 59,818</u>	<u>\$ 79,124</u>

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2020

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting	265 21st Century Community Learning Center
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 17,381	\$ --	\$ (6,849)
1240 <i>Due from Other Governments</i>	8,623	9,005	1,804	6,849
1290 <i>Other Receivables</i>	--	233	--	--
1000 Total Assets	8,623	26,619	1,804	--
LIABILITIES:				
Current Liabilities:				
2160 <i>Accrued Wages Payable</i>	\$ 7,779	\$ 7,167	\$ 1,626	\$ --
2200 <i>Accrued Expenditures</i>	844	146	178	--
2000 Total Liabilities	8,623	7,313	1,804	--
FUND BALANCES:				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	19,306	--	--
3000 Total Fund Balances	--	19,306	--	--
4000 Total Liabilities and Fund Balances	8,623	26,619	1,804	--

	270 ESEA, Title VI Part B, Subpart 2 Rural School	289 Other Federal Programs	410 State Textbook Fund	429 State Funded Special Revenue Fund	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
s	\$ --	\$ --	\$ --	\$ --	\$ 10,532
	--	--	--	--	26,281
	--	--	--	--	233
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>37,046</u>
	\$ --	\$ --	\$ --	\$ --	\$ 16,572
	--	--	--	--	1,168
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>17,740</u>
	--	--	--	--	19,306
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,306</u>
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 37,046</u>

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting	265 21st Century Community Learning Center
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ 8,035	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	776	--	--
5900 <i>Federal Program Revenues</i>	163,270	142,172	20,622	69,750
5020 <i>Total Revenues</i>	<u>163,270</u>	<u>150,983</u>	<u>20,622</u>	<u>69,750</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	163,270	--	20,622	64,250
0035 <i>Food Service</i>	--	165,948	--	2,020
0041 <i>General Administration</i>	--	--	--	2,806
0053 <i>Data Processing Services</i>	--	--	--	674
6030 <i>Total Expenditures</i>	<u>163,270</u>	<u>165,948</u>	<u>20,622</u>	<u>69,750</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	--	(14,965)	--	--
1200 <i>Net Change in Fund Balances</i>	--	(14,965)	--	--
0100 <i>Fund Balances - Beginning</i>	--	34,271	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ 19,306</u>	<u>\$ --</u>	<u>\$ --</u>

EXHIBIT H-4

	270 ESEA, Title VI Part B, Subpart 2 Rural School	289 Other Federal Programs	410 State Textbook Fund	429 State Funded Special Revenue Fund	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
	\$ --	\$ --	\$ --	\$ --	\$ 8,035
	--	--	11,250	350	12,376
	<u>17,913</u>	<u>7,974</u>	<u>--</u>	<u>--</u>	<u>421,701</u>
	<u>17,913</u>	<u>7,974</u>	<u>11,250</u>	<u>350</u>	<u>442,112</u>
	17,913	7,974	11,250	350	285,629
	--	--	--	--	167,968
	--	--	--	--	2,806
	--	--	--	--	674
	<u>17,913</u>	<u>7,974</u>	<u>11,250</u>	<u>350</u>	<u>457,077</u>
	--	--	--	--	(14,965)
	--	--	--	--	(14,965)
	--	--	--	--	34,271
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 19,306</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2020

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2011 and Prior Years	\$	Various	\$	Various	\$	Various
2012		1.04		.073		62,804,478
2013		1.04		.053		74,001,418
2014		1.04		.0596		80,266,657
2015		1.04		.0596		89,011,825
2016		1.04		.065		90,050,959
2017		1.04		.0679		89,675,022
2018		1.04		.0677		95,235,862
2019		1.04		.0588		116,892,770
2020 (School Year Under Audit)		.97		.068		113,793,908

1000 Totals

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

10 Beginning Balance 9/1/19	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/20
\$ 65,628	\$ --	\$ --	\$ --	\$ (22,126)	\$ 43,502
984	--	--	--	(9)	974
7,135	--	48	2	(9)	7,076
1,836	--	42	2	(55)	1,737
6,766	--	47	3	(148)	6,589
7,230	--	116	7	(155)	6,951
8,307	--	1,334	87	(1,007)	5,879
15,753	--	6,300	410	415	9,458
34,294	--	16,067	908	(1,369)	15,949
--	1,181,181	1,042,661	73,094	(22,911)	42,515
<u>\$ 147,953</u>	<u>\$ 1,181,181</u>	<u>\$ 1,066,616</u>	<u>\$ 74,514</u>	<u>\$ (47,373)</u>	<u>\$ 140,530</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT J-2

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 4,825	\$ 8,035	\$ 3,210
5800 <i>State Program Revenues</i>	1,450	776	(674)
5900 <i>Federal Program Revenues</i>	157,858	142,172	(15,686)
5020 Total Revenues	<u>164,133</u>	<u>150,983</u>	<u>(13,150)</u>
EXPENDITURES:			
Current:			
Instruction & Instructional Related Services:			
0011 <i>Instruction</i>	100	-	100
Total Instruction & Instr. Related Services	<u>100</u>	<u>-</u>	<u>100</u>
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	172,033	165,948	6,085
Total Support Services - Student (Pupil)	<u>172,033</u>	<u>165,948</u>	<u>6,085</u>
6030 Total Expenditures	<u>172,133</u>	<u>165,948</u>	<u>6,185</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	(8,000)	(14,965)	(6,965)
1200 Net Change in Fund Balance	(8,000)	(14,965)	(6,965)
0100 Fund Balance - Beginning	34,271	34,271	--
3000 Fund Balance - Ending	<u>\$ 26,271</u>	<u>\$ 19,306</u>	<u>\$ (6,965)</u>

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT J-3

Data Control Codes	1	2	3 Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 77,211	\$ 75,595	\$ (1,616)
5800 <i>State Program Revenues</i>	15,184	17,092	1,908
5020 Total Revenues	<u>92,395</u>	<u>92,687</u>	<u>292</u>
EXPENDITURES:			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	60,000	60,000	--
0072 <i>Interest on Long-Term Debt</i>	31,995	31,995	--
0073 <i>Bond Issuance Costs and Fees</i>	400	400	--
Total Debt Service	<u>92,395</u>	<u>92,395</u>	<u>--</u>
6030 Total Expenditures	<u>92,395</u>	<u>92,395</u>	<u>--</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	--	292	292
1200 Net Change in Fund Balance	--	292	292
0100 Fund Balance - Beginning	59,526	59,526	--
3000 Fund Balance - Ending	<u>\$ 59,526</u>	<u>\$ 59,818</u>	<u>\$ 292</u>

Burl D. Lowery
Certified Public Accountant
311 Center Avenue
Brownwood, Texas 76801

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

Board of Trustees
Santa Anna Independent School District
701 Bowie Street
Santa Anna, Texas 76878

Members of the Board of Trustees:

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Anna Independent School District, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise Santa Anna Independent School District's basic financial statements, and have issued my report thereon dated January 6, 2021.

Internal Control Over Financial Reporting

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

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

My 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 Santa Anna Independent School District's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Burl D. Lowery". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Burl D. Lowery
Certified Public Accountant

Brownwood, TX 76801
January 6, 2021

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
One or more material weaknesses identified?	<u> </u> Yes	<u> X </u> No	
One or more significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

B. Financial Statement Findings

NONE

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2020

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
The prior audit had no findings or questioned costs.		

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2020

No corrective action plan is required as the audit has no findings or questioned costs.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2020

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