

SANTA ANNA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2019

Introductory Section

Santa Anna Independent School District
 Annual Financial Report
 For The Year Ended August 31, 2019

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CERTIFICATE OF BOARD

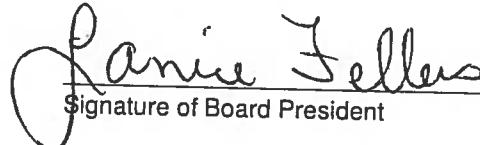
Santa Anna Independent School District
Name of School District

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, 2019, at a meeting of the board of trustees of such school district on the 16th day of January, 2020.


Signature of Board Secretary


Signature of Board President

Financial Section

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CERTIFIED PUBLIC ACCOUNTANT
Member A.I.C.P.A. & T.S.C.P.A.
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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, 2019, 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, 2019, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2019, Santa Anna Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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

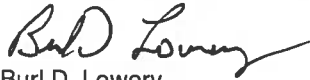
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Anna Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes 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 7, 2020 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.



Burl D. Lowery
Certified Public Accountant

Brownwood, TX
January 7, 2020

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, 2019. 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 \$6,334,037 at August 31, 2019.
- During the year, the District's expenses were \$111,933, less than the \$3,993,696 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs increased by \$1,348,896 and its revenues increased by \$1,207,603 during the current year.
- The general fund reported a fund balance this year of \$5,465,668.

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 \$6,334,037 at August 31, 2019 and \$6,173,460 at August 31, 2018.

The District has restricted net assets of \$98,540, which are restricted to future bond payments and state and federal programs which leaves \$3,409,153 of unrestricted net assets at August 31, 2019. The \$3,409,153 of unrestricted net assets represents funds available for future uses.

Changes in net assets. The District's total revenues were \$3,993,696. A significant portion, 31.44%, of the District's revenue comes from taxes. 45.57% comes from state available and foundation grants, while 20.48% relates to operating grants and contributions. Only 0.95% comes from charges for services. In 2018, the District had negative operating grants and contributions amounting to \$(214,197) which was due to the implementation of GASB 75 Other Post-Employment Benefits. The actual operating grants revenues in 2018 amounted to \$554,456.

The total cost of all programs and services was \$3,881,763; 51.98% 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 increased \$21.6 million which generated tax revenues of \$1,284,430.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types in the individual funds totaled \$3,993,696, an increase of 43% over the preceding year.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget. Even with these adjustments, actual expenditures were \$174,152 below final budget amounts of the General Fund.

On the other hand, resources available were \$159,513 more than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had invested \$10,116,220 in a broad range of capital assets, including land, equipment buildings, and vehicles.

The District's fiscal year 2019-2020 budget includes the purchase of a bus, a school vehicle, and an ATV/lawnmower. The budget also includes improvements to school facilities. 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 \$935,000 outstanding long-term debt in bonds, \$294,535 in loans payable, net pension liability of \$935,399, and net OPEB liability of \$1,217,409. 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 2019-2020 budget preparation is less than the 2018-2019 tax roll. Tax revenue is expected to be less than the revenue in 2018-2019. Taxes assessed in October 2019 were \$1,181,181 as compared to \$1,284,430 in October 2018, which is \$103,249.
- General operating fund spending decreases in the 2018-2019 budget from \$3,234,251 to \$3,125,508. This is a decrease of 3.36%.
- The District's 2018-2019 refined average daily attendance is expected to be approximately the same as 2017-2018.

These indicators were taken into account when adopting the general fund budget for 2018-2019. Amounts available for appropriation in the general fund budget are \$3,125,508, a decrease of 3.36% over the final 2017-2018 budget of \$3,234,251. State revenue will increase or decrease as the student population changes in size. The District will use these increases in revenues to finance programs currently offered.

General fund expenditures are budgeted to decrease by approximately 3.36% as disclosed above. The District has added no major new programs or initiatives to the 2018-2019 budget.

If these estimates are realized, the District's budgetary general fund balance is not expected to materially change at the close of the 2019-2020 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	
	2019	2018
Current Assets:		
Cash and cash equivalents	\$5,480,744	\$5,076,642
Due from other governments	\$27,550	\$29,140
Property taxes receivable net of uncollectible	\$73,650	\$63,333
Other receivables	\$2,834	\$10,433
Unrealized expenditures	\$0	\$0
Total Current Assets	\$5,584,778	\$5,179,548
Noncurrent Assets:		
Land	\$62,531	\$62,531
Buildings	\$9,255,604	\$9,255,604
Equipment and vehicles	\$798,085	\$798,085
	<u>\$10,116,220</u>	<u>\$10,116,220</u>
Less accumulated depreciation	\$5,996,368	\$5,834,611
Total Noncurrent Assets	\$4,119,852	\$4,281,609
Total Assets	\$9,704,630	\$9,461,157
Deferred Outflows of Resource	\$712,580	\$253,197
Current Liabilities:		
Accounts payable and accrued expenses	\$160,294	\$116,450
Due to other governments	\$0	\$0
Unearned revenue	\$40,334	\$34,007
Total Current Liabilities	\$200,628	\$150,457
Long-term Liabilities:		
Bonds payable	\$935,000	\$995,000
Unamortized premium on bonds	\$63,973	\$68,893
Loans payable	\$294,535	\$306,406
Net pension liability	\$935,399	\$492,114
Net OPEB liability	\$1,217,409	\$1,024,296
Total Long-term Liabilities	\$3,446,316	\$2,886,709
Total Liabilities	\$3,646,944	\$3,037,166
Deferred Inflows of Resources	\$436,229	\$503,728
Net Position:		
Invested in capital assets	\$2,826,344	\$2,911,310
Restricted for state and federal programs	\$34,271	\$18,501
Restricted for debt service	\$64,269	\$56,369
Unrestricted	\$3,409,153	\$3,187,280
Total Net Position	\$6,334,037	\$6,173,460

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

CHANGES IN NET ASSETS

	Governmental Activities	
	2019	2018
Program Revenues:		
Charges for services	\$38,060	\$32,540
Operating grants and contributions	\$817,956	(\$214,197)
Capital grants and contributions	\$0	\$0
General Revenues:		
Property taxes	\$1,255,438	\$1,040,399
State aid	\$1,819,864	\$1,849,339
Investment earnings	\$29,641	\$25,088
Other revenues	\$32,737	\$52,924
Total Revenues	\$3,993,696	\$2,786,093
Expenditures:		
Instruction	\$1,979,934	\$1,249,279
Instructional resources and media services	\$37,850	\$22,034
Curriculum and staff development	\$47,447	\$46,833
School leadership	\$239,942	\$128,995
Guidance and counseling services	\$63,154	\$29,668
Health services	\$17,964	\$13,597
Student transportation	\$131,065	\$74,850
Food services	\$185,042	\$170,313
Cocurricular/Extracurricular activities	\$134,951	\$106,014
General administration	\$290,246	\$174,076
Plant maintenance & operation	\$480,159	\$287,195
Security and monitoring services	\$4,128	\$2,766
Data processing services	\$114,373	\$58,798
Debt services	\$36,410	\$30,289
Payments to fiscal agent/member districts SSA	\$80,108	\$101,620
Other intergovernmental charges	\$38,990	\$36,540
Total Expenditures	\$3,881,763	\$2,532,867
Excess (Deficiency) Before Other Resources, Uses, and Transfers	\$111,933	\$253,226
Other Resources (Uses)	(\$16,828)	\$0
Extraordinary items - net	\$65,472	\$0
Increase (Decrease) in Net Assets	\$160,577	\$253,226
Net Position - Beginning	\$6,173,460	\$7,356,079
Prior period adjustments	\$0	(\$1,435,845)
Net Position - Ending	\$6,334,037	\$6,173,460

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

CAPITAL ASSETS

	Governmental Activities	
	2019	2018
Land	\$62,531	\$62,531
Buildings and improvements	\$9,255,604	\$9,255,604
Equipment and vehicles	\$798,085	\$798,085
Total Capital Assets	\$10,116,220	\$10,116,220
Total Accumulated Depreciation	\$5,996,368	\$5,834,611
Net Capital Assets	\$4,119,852	\$4,281,609

TABLE 4

LONG-TERM DEBT

	Governmental Activities	
	2019	2018
Bonds payable	\$935,000	\$995,000
Unamortized bond premiums	\$63,973	\$68,893
Loans payable	\$294,535	\$306,406
Net pension liability	\$935,399	\$492,114
Net OPEB liability	\$1,217,409	\$1,024,296
Total Long-term Debt	\$3,446,316	\$2,886,709

Basic Financial Statements

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2019

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 5,480,744
1225	<i>Property Taxes Receivable (Net)</i>	73,650
1240	<i>Due from Other Governments</i>	27,550
1290	<i>Other Receivables (Net)</i>	2,834
Capital Assets:		
1510	<i>Land</i>	62,531
1520	<i>Buildings and Improvements, Net</i>	4,008,633
1530	<i>Furniture and Equipment, Net</i>	48,688
1000	Total Assets	<u>9,704,630</u>
DEFERRED OUTFLOWS OF RESOURCES:		
	<i>Deferred Outflow Related to Pensions</i>	564,036
	<i>Deferred Outflow Related to OPEB</i>	148,544
1700	Total Deferred Outflows of Resources	<u>712,580</u>
LIABILITIES:		
2110	<i>Accounts Payable</i>	23,403
2165	<i>Accrued Liabilities</i>	136,891
2300	<i>Unearned Revenue</i>	40,334
Noncurrent Liabilities:		
2501	<i>Due Within One Year</i>	71,754
2502	<i>Due in More Than One Year</i>	1,221,754
2540	<i>Net Pension Liability</i>	935,399
2545	<i>Net OPEB Liability</i>	1,217,409
2000	Total Liabilities	<u>3,646,944</u>
DEFERRED INFLOWS OF RESOURCES:		
	<i>Deferred Inflow Related to Pensions</i>	51,256
	<i>Deferred Inflow Related to OPEB</i>	384,973
2600	Total Deferred Inflows of Resources	<u>436,229</u>
NET POSITION:		
3200	Net Investment in Capital Assets	2,826,344
Restricted For:		
3820	State and Federal Programs	34,271
3850	Debt Service	64,269
3900	Unrestricted	3,409,153
3000	Total Net Position	<u>\$ 6,334,037</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, 2019

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Governmental Activities
	Governmental Activities:				
11	<i>Instruction</i>	\$ 1,979,934	\$ --	\$ 517,728	\$ (1,462,206)
12	<i>Instructional Resources and Media Services</i>	37,850	--	5,231	(32,619)
13	<i>Curriculum and Staff Development</i>	47,447	--	33	(47,414)
23	<i>School Leadership</i>	239,942	--	19,905	(220,037)
31	<i>Guidance, Counseling, & Evaluation Services</i>	63,154	--	5,721	(57,433)
33	<i>Health Services</i>	17,964	--	6,063	(11,901)
34	<i>Student Transportation</i>	131,065	--	6,485	(124,580)
35	<i>Food Service</i>	185,042	5,717	178,791	(534)
36	<i>Cocurricular/Extracurricular Activities</i>	134,951	12,957	4,865	(117,129)
41	<i>General Administration</i>	290,246	--	21,325	(268,921)
51	<i>Facilities Maintenance and Operations</i>	480,159	19,386	10,486	(450,287)
52	<i>Security and Monitoring Services</i>	4,128	--	3	(4,125)
53	<i>Data Processing Services</i>	114,373	--	11,468	(102,905)
72	<i>Interest on Long-term Debt</i>	36,010	--	29,794	(6,216)
73	<i>Bond Issuance Costs and Fees</i>	400	--	--	(400)
93	<i>Payments Related to Shared Services Arrangements</i>	80,108	--	58	(80,050)
99	<i>Other Intergovernmental Charges</i>	38,990	--	--	(38,990)
TG	Total Governmental Activities	<u>3,881,763</u>	<u>38,060</u>	<u>817,956</u>	<u>(3,025,747)</u>
TP	Total Primary Government	<u>\$ 3,881,763</u>	<u>\$ 38,060</u>	<u>\$ 817,956</u>	<u>(3,025,747)</u>
	General Revenues:				
MT	<i>Property Taxes, Levied for General Purposes</i>				1,188,188
DT	<i>Property Taxes, Levied for Debt Service</i>				67,250
IE	<i>Investment Earnings</i>				29,641
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>				1,819,864
MI	<i>Miscellaneous</i>				32,737
	Special and Extraordinary Items:				
E1	<i>Extraordinary Item Inflow</i>				65,472
E2	<i>Extraordinary Item Outflow</i>				(16,828)
TR	Total General Revenues				<u>3,186,324</u>
CN	Change in Net Position				<u>160,577</u>
NB	Net Position - Beginning				6,173,460
NE	Net Position - Ending				<u>\$ 6,334,037</u>

The accompanying notes are an integral part of this statement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2019

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:			
1110	\$ 5,394,085	\$ 86,649	\$ 5,480,734
1225	68,907	4,743	73,650
1240	--	27,550	27,550
1290	2,676	158	2,834
1000	<u>5,465,668</u>	<u>119,100</u>	<u>5,584,768</u>
LIABILITIES:			
Current Liabilities:			
2110	\$ 14,651	\$ --	\$ 14,651
2160	114,060	19,115	133,175
2170	13,934	--	13,934
2200	2,272	1,444	3,716
2300	40,334	--	40,334
2000	<u>185,251</u>	<u>20,559</u>	<u>205,810</u>
DEFERRED INFLOWS OF RESOURCES:			
	<u>68,908</u>	<u>4,744</u>	<u>73,652</u>
2600	<u>68,908</u>	<u>4,744</u>	<u>73,652</u>
FUND BALANCES:			
Restricted Fund Balances:			
3450	--	34,271	34,271
3480	--	59,526	59,526
Committed Fund Balances:			
3510	2,550,000	--	2,550,000
3600	2,661,509	--	2,661,509
3000	<u>5,211,509</u>	<u>93,797</u>	<u>5,305,306</u>
4000	<u>\$ 5,465,668</u>	<u>\$ 119,100</u>	<u>\$ 5,584,768</u>

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, 2019

Total fund balances - governmental funds balance sheet	\$ 5,305,306
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.	4,119,852
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	73,651
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	5,192
Payables for bond principal which are not due in the current period are not reported in the funds.	(935,000)
Payables for notes which are not due in the current period are not reported in the funds.	(294,535)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(935,399)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(51,256)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	564,036
Bond premiums are amortized in the SNA but not in the funds.	(63,972)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(1,217,409)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(384,973)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	<u>148,544</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 6,334,037</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, 2019

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 1,345,254	\$ 72,795	\$ 1,418,049
5800 <i>State Program Revenues</i>	1,942,561	65,956	2,008,517
5900 <i>Federal Program Revenues</i>	17,606	526,405	544,011
5020 Total Revenues	<u>3,305,421</u>	<u>665,156</u>	<u>3,970,577</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	1,384,245	387,672	1,771,917
0012 <i>Instructional Resources and Media Services</i>	33,766	835	34,601
0013 <i>Curriculum and Staff Development</i>	45,387	--	45,387
0023 <i>School Leadership</i>	216,767	--	216,767
0031 <i>Guidance, Counseling, & Evaluation Services</i>	56,713	--	56,713
0033 <i>Health Services</i>	16,508	--	16,508
0034 <i>Student Transportation</i>	121,259	--	121,259
0035 <i>Food Service</i>	5,949	159,878	165,827
0036 <i>Cocurricular/Extracurricular Activities</i>	125,102	--	125,102
0041 <i>General Administration</i>	258,731	2,789	261,520
0051 <i>Facilities Maintenance and Operations</i>	452,815	--	452,815
0052 <i>Security and Monitoring Services</i>	3,949	--	3,949
0053 <i>Data Processing Services</i>	101,481	1,340	102,821
0071 <i>Principal on Long-term Debt</i>	11,871	60,000	71,871
0072 <i>Interest on Long-term Debt</i>	7,615	33,315	40,930
0073 <i>Bond Issuance Costs and Fees</i>	--	400	400
0093 <i>Payments to Shared Service Arrangements</i>	80,108	--	80,108
0099 <i>Other Intergovernmental Charges</i>	38,990	--	38,990
6030 Total Expenditures	<u>2,961,256</u>	<u>646,229</u>	<u>3,607,485</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>344,165</u>	<u>18,927</u>	<u>363,092</u>
Other Financing Sources and (Uses):			
8949 <i>Other Uses</i>	(16,828)	--	(16,828)
7080 Total Other Financing Sources and (Uses)	<u>(16,828)</u>	<u>--</u>	<u>(16,828)</u>
1200 Net Change in Fund Balances	<u>327,337</u>	<u>18,927</u>	<u>346,264</u>
0100 Fund Balances - Beginning	<u>4,884,172</u>	<u>74,870</u>	<u>4,959,042</u>
3000 Fund Balances - Ending	<u>\$ 5,211,509</u>	<u>\$ 93,797</u>	<u>\$ 5,305,306</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, 2019*

Net change in fund balances - total governmental funds	\$ 346,264
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
The depreciation of capital assets used in governmental activities is not reported in the funds.	(161,757)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	10,319
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.	11,871
The net revenue (expense) of internal service funds is reported with governmental activities.	(1,524)
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.	(91,397)
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>(18,119)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 160,577</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, 2019

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	\$ 8,752
	Total Current Liabilities	<u>8,752</u>
2000	Total Liabilities	<u>8,752</u>
NET POSITION:		
3900	Unrestricted	5,192
3000	Total Net Position	<u>\$ 5,192</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, 2019

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	OPERATING REVENUES:	
5700	<i>Local and Intermediate Sources</i>	\$ 565
5020	Total Revenues	<u>565</u>
	OPERATING EXPENSES:	
6100	<i>Payroll Costs</i>	2,089
6030	Total Expenses	<u>2,089</u>
1300	Change in Net Position	(1,524)
0100	Total Net Position - Beginning	6,716
3300	Total Net Position - Ending	<u>\$ 5,192</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, 2019

	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>	2,661
<i>Cash Payments to Employees for Services</i>	--
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(2,661)
<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>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>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>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)	\$ (1,524)
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>	2,096
<i>Increase (Decrease) in Accounts Payable</i>	(572)
Total Adjustments	<u>1,524</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, 2019

Data Control Codes		Agency Fund
		Student Activity
ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 23,325
1000	Total Assets	<u>23,325</u>
LIABILITIES:		
Current Liabilities:		
2190	<i>Due to Student Groups</i>	\$ 23,325
2000	Total Liabilities	<u>23,325</u>
NET POSITION:		
3000	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, 2019

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:

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency 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.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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.

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.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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

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. Management estimates and makes assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those 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.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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 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.

l. 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.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. 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.

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	None

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

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, 2019, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,502,830 and the bank balance was \$5,537,865. The District's cash deposits at August 31, 2019 and during the year ended August 31, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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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, 2019 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.

At August 31, 2019, 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	\$ <u>\$2,000,000</u>
Secured by FDIC and Pledged Securities at the Depository Bank.	

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.

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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.

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.

D. Capital Assets

Capital asset activity for the year ended August 31, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<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	--	--	9,255,604
Equipment	119,454	--	--	119,454
Vehicles	678,631	--	--	678,631
Total capital assets being depreciated	<u>10,053,689</u>	<u>--</u>	<u>--</u>	<u>10,053,689</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,106,515)	(140,456)	--	(5,246,971)
Equipment	(102,425)	(3,933)	--	(106,358)
Vehicles	(625,671)	(17,368)	--	(643,039)
Total accumulated depreciation	<u>(5,834,611)</u>	<u>(161,757)</u>	<u>--</u>	<u>(5,996,368)</u>
Total capital assets being depreciated, net	<u>4,219,078</u>	<u>(161,757)</u>	<u>--</u>	<u>4,057,321</u>
Governmental activities capital assets, net	<u>\$ 4,281,609</u>	<u>\$ (161,757)</u>	<u>\$ --</u>	<u>\$ 4,119,852</u>

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Depreciation was charged to functions as follows:

Instruction	\$	85,950
Instructional Resources and Media Services		1,643
Curriculum and Staff Development		2,060
School Leadership		10,416
Guidance, Counseling, & Evaluation Services		2,742
Health Services		780
Student Transportation		5,690
Food Services		8,032
Extracurricular Activities		5,858
General Administration		12,600
Plant Maintenance and Operations		20,844
Security and Monitoring Services		179
Data Processing Services		4,965
	\$	<u>161,757</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2019, consisted of the following:

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

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

F. 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, 2019, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 995,000	\$ --	\$ 60,000	\$ 935,000	\$ 60,000
Bond Premiums	68,893	--	4,920	63,973	--
Notes	306,406	--	11,871	294,535	11,754
Claims and judgments *	--	--	--	--	--
Net Pension Liability *	492,114	443,285	--	935,399	--
Net OPEB Liability*	1,024,296	193,113	--	1,217,409	--
and Direct Placements	--	--	--	--	--
Total governmental activities	<u>\$ 2,886,709</u>	<u>\$ 636,398</u>	<u>\$ 76,791</u>	<u>\$ 3,446,316</u>	<u>\$ 71,754</u>

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* Other long-term liabilities

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

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Claims and judgments	Governmental	General Fund
Net Pension Liability *	Governmental	General Fund
Net OPEB Liability*	Governmental	General Fund

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2019, are as follows:

<u>Year Ending August 31,</u>	<u>Governmental Activities</u>				
	<u>Bonds</u>		<u>Notes from Direct Borrowings and Direct Placements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 60,000	31,995	11,754	\$ 7,957	\$ 111,706
2021	60,000	30,675	12,081	7,629	110,385
2022	65,000	28,875	12,418	7,293	113,586
2023	65,000	26,925	12,763	6,947	111,635
2024	70,000	24,975	13,119	6,592	114,686
2025-2029	370,000	87,412	71,283	27,271	555,966
2030-2034	245,000	18,563	68,473	17,486	349,522
2035-2039	--	--	75,171	7,797	82,968
2040-2044	--	--	17,473	449	17,922
Totals	\$ 935,000	\$ 249,420	\$ 294,535	\$ 89,421	\$ 383,956

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 amount of the loans for houses was \$308,300. Monthly note payments total \$1,643. The interest rate on the loans is 2.750% at August 31, 2019. 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 2.650% at July 26, 2018 to 2.750% at July 26, 2019.

G. 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 2019, the District was a member of the TASB Risk Management Fund (Fund) for school liability, property, and auto liability and physical damage. 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.

H. Auto, Liability, and/or Property Insurance

During the year ended August 31, 2019, the Santa Anna Independent School District participated in the TASB Risk Management Fund's (the Fund's) Property Casualty Program with coverage in:

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

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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 purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Casualty Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of the reserves and fully funds those reserves. For the year ended August 31, 2019, the Fund anticipates Santa Anna ISD has no additional liability beyond the contractual obligations for payment of contributions.

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 accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available on the TASB Risk Management Fund Website and have been filed with the Texas Department of Insurance in Austin.

Significant changes to the fund coverage as of September 1, 2018 was that the deductible for wind, hail, and hurricane increased from \$25,000 to \$100,000. The contribution for coverage also increased 44% over last year. That increase amounted to \$6,666.

I. Unemployment Compensation

During the year ended August 31, 2019 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, 2018 audited financial statements are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

J. Workers Compensation Insurance

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, 2018 and ending September 1, 2019. 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 2018-2019 is \$13,085. These losses are appropriated in the financial records of the District.

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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 \$4,786 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 \$8,752 at August 31, 2019. 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, 2019.

K. Pension Plan

1. Plan Description

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

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

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.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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.

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. 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.

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Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	<u>Contribution Rates</u>	
	2018	2019
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2019 Employer Contributions	\$ 60,243	
District's 2019 Member Contributions	\$ 145,161	
2018 NECE On-Behalf Contributions (state)	\$ 87,390	

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- 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.

5. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

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Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Payroll Growth Rate	3.00%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the three year period ending August 31, 2017 and adopted in July, 2018.

6. Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on the pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed the contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

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Teacher Retirement System of Texas			
Asset Allocation and Long-Term Expected Rate of Return			
As of August 31, 2016			
Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns *
Global Equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Return	0.0%	0.0%	0.0%
Stable Value Hedge Funds	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy & Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation			2.3%
Alpha			-0.8%
Total	100.0%		7.2%

* Target allocation are based on the FY 2016 policy model.

** The expected contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

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 (6.907%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 5.907%	Discount Rate 6.907%	1% Increase in Discount Rate 7.907%
District's proportionate share of the net pension liability	\$ 1,411,742	\$ 935,399	\$ 549,772

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

At August 31, 2019, the District reported a liability of \$935,399 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:

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District's proportionate share of the collective net pension liability	\$ 935,399
State's proportionate share that is associated with District	<u>1,428,760</u>
Total	<u>\$ 2,364,159</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.0016994%. which was an increase 0.0001604% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation -

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

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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

For the year ended August 31, 2019, the District recognized pension expense of \$141,409 and revenue of \$141,409 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:
 (The amounts below will be the cumulative layers from the current and prior years combined)

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,831	\$ 22,951
Changes in actuarial assumptions	337,257	10,539
Difference between projected and actual investment earnings	--	17,749
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	160,705	17
Contributions paid to TRS subsequent to the measurement date	<u>60,243</u>	<u>--</u>
Total	<u>\$ 564,036</u>	<u>\$ 51,256</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
2020	\$ 118,632
2021	\$ 81,282
2022	\$ 70,524
2023	\$ 73,985
2024	\$ 65,636
Thereafter	\$ 42,478

L. 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 Comprehensive 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#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all 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 retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

fee. 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 the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees January 1, 2018 thru December 31, 2018		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

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 percent 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		
	2018	2019
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%
District's 2019 Employer Contributions	\$	18,074
District's 2019 Member Contributions	\$	12,254
2018 NECE On-Behalf Contributions (state)	\$	19,149

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay to TRS-Care a monthly surcharge of \$535 per retiree.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed on 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, salary increases, and general payroll growth, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. Since the assumptions were based upon a recent actuarial experience study performed and they were reasonable for this OPEB valuation, they were employed in the 2018 CAFR for the Teacher Retirement System of Texas.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

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, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate *	3.69% *
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.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05%, including inflation ***
Healthcare Trend Rates **	8.50% **
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% after age 65.
Ad Hoc Post-Employment Benefit Changes	None

*Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2018.

**8.50% for FY2019, decreasing 0.5% per year to 4.50% for FY2027 and later years.

*** Includes inflation at 2.5%.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

6. Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27% 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 (2.69%)	Current Single Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
District's proportionate share of net OPEB liability	\$ 1,449,135	\$ 1,217,409	\$ 1,034,099

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

At August 31, 2019, the District reported a liability of \$1,217,409 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	\$ 1,217,409
State's proportionate share that is associated with the District	\$ <u>1,387,928</u>
Total	\$ <u>2,605,337</u>

The Net OPEB liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 thru August 31, 2018.

At August 31, 2019 the District's proportion of the collective net OPEB liability was 0.0024382, compared to 0.0023554 as of August 31, 2017.

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	\$ 1,011,078	\$ 1,217,409	\$ 1,489,151

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 since the prior measurement period:

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.
- Change of Benefit Terms Since the Prior Measurement Date - Please see the 2018 TRS CAFR, page 68, section B for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850 / \$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis-point addition to the long term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provision or applicable law.

Changes of benefit terms that affected measurement of the total OPEB liability during the measurement period are listed below:

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

For the year ended August 31, 2019, the District recognized OPEB expense of \$50,484 and revenue of \$50,484 for support provided by the State.

At August 31, 2018, 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 Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 64,603	\$ 19,212
Changes in actuarial assumptions	20,315	365,761
Differences between projected and actual investment earnings	213	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	45,339	--
Contributions paid to TRS subsequent to the measurement date	18,074	
Total	\$ 148,544	\$ 384,973

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,	Amount
2020	\$ (42,272)
2021	\$ (42,273)
2022	\$ (42,273)
2023	\$ (42,314)
2024	\$ (42,337)
Thereafter	\$ (43,034)

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, 2019, the subsidy payment received by TRS-Care on behalf of the District was \$6,960.

M. Employee Health Care Coverage

During the year ended August 31, 2019, 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.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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.

N. 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, 2019.

O. 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

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.

The District participates in a shared services arrangement ("SSA") for Carl D. Perkins grant with the Region 15 Education Service Center.

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The fiscal agent manager is responsible for all financial activities of the shared services arrangement.

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Presented below are the revenue and expenditures attributable to the District's participation.

Revenues:		
Revenue distributed by TEA		\$5,159
Expenditures:		
Supplies and Materials - Other		\$5,159

P. Subsequent Events

Management has reviewed all transactions and events from August 31, 2019 to January 7, 2020. There were no items identified that require disclosure in the financial statements.

Q. Committed Fund Balance

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

R. Extraordinary Item Inflows

In June 2019, the District suffered a loss from a hail storm that caused damages to a 2006 Chevrolet Pickup. and to various District buildings. The damages to the pickup amounted to \$4,916. The damages to the District's buildings had a replacement cost value of \$178,655 less depreciation of \$18,099 equaling an actual cash value of \$160,556. The District had a deductible of \$100,000. The net amount that the District received for damages was \$60,556. The total amount received for damages has been recognized as an extraordinary inflow.

The District has not done the repairs to the buildings as of January 7, 2020. The District has hired a public adjuster to dispute the claim filed with TASB. Management has determined that the buildings are not impaired and are continuing to be used by the District.

S. Extraordinary Item Outflow

In September 2018, the District was required to refund \$16,828 to TEA for noncompliance with the maintenance of effort (MOE) requirements for the 2016-2017 school year. The Federal Fiscal Monitoring Division at Texas Education Agency imposed the corrective action based upon findings identified by TEA as part of its subrecipient monitoring functions. The review indicated that for the 2016-2017 school year, the District did not comply with the federal MOE requirement for federal grants awarded under IDEA-B.

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, 2019

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	\$ 1,266,924	\$ 1,287,324	\$ 1,345,264	\$ 57,930		
5800	State Program Revenues	1,858,584	1,858,584	1,942,561	83,977		
5900	Federal Program Revenues	--	--	17,606	17,606		
5020	Total Revenues	3,125,508	3,145,908	3,305,421	159,513		
EXPENDITURES:							
Current:							
Instruction & Instructional Related Services:							
0011	Instruction	1,358,835	1,388,835	1,384,245	4,590		
0012	Instructional Resources and Media Services	32,307	37,307	33,766	3,541		
0013	Curriculum and Staff Development	52,392	52,392	45,387	7,005		
	Total Instruction & Instr. Related Services	1,443,534	1,478,534	1,463,398	15,136		
Instructional and School Leadership:							
0023	School Leadership	216,822	216,822	216,767	55		
	Total Instructional & School Leadership	216,822	216,822	216,767	55		
Support Services - Student (Pupil):							
0031	Guidance, Counseling and Evaluation Services	55,864	58,864	56,713	2,151		
0033	Health Services	16,736	19,236	16,508	2,728		
0034	Student (Pupil) Transportation	181,199	181,199	121,259	59,940		
0035	Food Services	5,836	6,836	5,949	887		
0036	Cocurricular/Extracurricular Activities	126,247	131,247	125,102	6,145		
	Total Support Services - Student (Pupil)	385,882	397,382	325,531	71,851		
Administrative Support Services:							
0041	General Administration	248,133	263,133	258,731	4,402		
	Total Administrative Support Services	248,133	263,133	258,731	4,402		
Support Services - Nonstudent Based:							
0051	Plant Maintenance and Operations	480,897	480,897	452,815	28,082		
0052	Security and Monitoring Services	17,500	17,500	3,949	13,551		
0053	Data Processing Services	100,740	102,740	101,481	1,259		
	Total Support Services - Nonstudent Based	599,137	601,137	558,245	42,892		
Debt Service:							
0071	Principal on Long-Term Debt	--	12,000	11,871	129		
0072	Interest on Long-Term Debt	--	8,400	7,615	785		
	Total Debt Service	--	20,400	19,486	914		
Capital Outlay:							
0081	Capital Outlay	100,000	36,500	--	36,500		
	Total Capital Outlay	100,000	36,500	--	36,500		
Intergovernmental Charges:							
0093	Payments to Fiscal Agent/Member Dist.-SSA	90,000	90,000	80,108	9,892		
0099	Other Intergovernmental Charges	40,000	40,000	38,990	1,010		
	Total Intergovernmental Charges	130,000	130,000	119,098	10,902		
6030	Total Expenditures	3,123,508	3,143,908	2,961,256	182,652		

SANTA ANNA INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2019

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	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	2,000	2,000	344,165	342,165
	Other Financing Sources (Uses):				
8911	Transfers Out	(2,000)	(2,000)	--	2,000
8949	Other Uses	--	--	(16,828)	(16,828)
7080	Total Other Financing Sources and (Uses)	(2,000)	(2,000)	(16,828)	(14,828)
1200	Net Change in Fund Balance	--	--	327,337	327,337
0100	Fund Balance - Beginning	4,884,172	4,884,172	4,884,172	--
3000	Fund Balance - Ending	\$ 4,884,172	\$ 4,884,172	\$ 5,211,509	\$ 327,337

SANTA ANNA INDEPENDENT SCHOOL DISTRICT*SCHEDULE OF THE DISTRICT'S PROPORTIONATE**SHARE OF THE NET PENSION LIABILITY**Teacher Retirement System of Texas**LAST TEN FISCAL YEARS **

	Fiscal Year				
	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.00169942%	0.00153908%	0.00150432%	0.00143430%	0.00072600%
District's proportionate share of the net pension liability (asset)	\$ 935,399	\$ 492,114	\$ 568,460	\$ 507,006	\$ 203,701
State's proportionate share of the net pension liability (asset) associated with the District	1,428,760	929,976	1,129,520	1,116,790	965,705
Total	\$ 2,364,159	\$ 1,422,090	\$ 1,697,980	\$ 1,623,796	\$ 1,169,406
District's covered-employee payroll	\$ 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	52.00%	27.79%	33.06%	31.03%	12.61%
Plan fiduciary net position as a percentage of the total pension liability	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
Teacher Retirement System of Texas
LAST TEN FISCAL YEARS *

	Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 60,243	\$ 57,587	\$ 50,441	\$ 47,796	\$ 41,470
Contributions in relation to the contractually required contribution	\$(60,243)	\$(57,587)	\$(50,441)	\$(47,796)	\$(41,470)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 1,885,209	\$ 1,798,702	\$ 1,771,031	\$ 1,719,697	\$ 1,633,994
Contributions as a percentage of covered-employee payroll	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**Teacher Retirement System of Texas**LAST TEN FISCAL YEARS **

	Measurement Year Ended	
	2018	2017
District's proportion of the collective net OPEB liability	0.0024381862%	0.0023554479%
District's proportionate share of the collective net OPEB liability	\$ 1,217,409	\$ 1,024,296
State proportionate share of the collective net OPEB liability associated with the District	\$ 1,387,928	\$ 1,264,945
Total	<u>\$ 2,605,337</u>	<u>\$ 2,289,241</u>
District's covered-employee payroll	\$ 1,798,703	\$ 1,771,031
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	67.68%	57.84%
Plan fiduciary net position as a percentage of the total OPEB liability	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
Teachers Retirement System of Texas
LAST TEN FISCAL YEARS *

	Fiscal Year Ended	
	2019	2018
Statorily or contractually required District contribution	\$ 18,074	\$ 16,884
Contributions recognized by OPEB in relation to statorily or contractually required contribution	(18,074)	(16,884)
Contribution deficiency (excess)	\$ --	\$ --
District's covered-employee payroll	\$ 1,885,209	\$ 1,798,703
Contributions as a percentage of covered-employee payroll	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, 2019

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.

*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, 2019

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 27,280	\$ 59,369	\$ 86,649
1225	Taxes Receivable, Net	--	4,743	4,743
1240	Due from Other Governments	27,550	--	27,550
1290	Other Receivables	--	158	158
1000	Total Assets	<u>54,830</u>	<u>64,270</u>	<u>119,100</u>
LIABILITIES:				
Current Liabilities:				
2160	Accrued Wages Payable	\$ 19,115	\$ --	\$ 19,115
2200	Accrued Expenditures	1,444	--	1,444
2000	Total Liabilities	<u>20,559</u>	<u>--</u>	<u>20,559</u>
DEFERRED INFLOWS OF RESOURCES:				
	Deferred Revenue	--	4,744	4,744
2600	Total Deferred Inflows of Resources	<u>--</u>	<u>4,744</u>	<u>4,744</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	34,271	--	34,271
3480	Retirement of Long-Term Debt	--	59,526	59,526
3000	Total Fund Balances	<u>34,271</u>	<u>59,526</u>	<u>93,797</u>
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 54,830</u>	<u>\$ 64,270</u>	<u>\$ 119,100</u>

SANTA ANNA INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 5,717	\$ 67,078	\$ 72,795
5800 <i>State Program Revenues</i>	36,162	29,794	65,956
5900 <i>Federal Program Revenues</i>	526,405	--	526,405
5020 Total Revenues	<u>568,284</u>	<u>96,872</u>	<u>665,156</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	387,672	--	387,672
0012 <i>Instructional Resources and Media Services</i>	835	--	835
0035 <i>Food Service</i>	159,878	--	159,878
0041 <i>General Administration</i>	2,789	--	2,789
0053 <i>Data Processing Services</i>	1,340	--	1,340
0071 <i>Principal on Long-term Debt</i>	--	60,000	60,000
0072 <i>Interest on Long-term Debt</i>	--	33,315	33,315
0073 <i>Bond Issuance Costs and Fees</i>	--	400	400
6030 Total Expenditures	<u>552,514</u>	<u>93,715</u>	<u>646,229</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	15,770	3,157	18,927
1200 Net Change in Fund Balances	<u>15,770</u>	<u>3,157</u>	<u>18,927</u>
0100 Fund Balances - Beginning	18,501	56,369	74,870
3000 Fund Balances - Ending	<u>\$ 34,271</u>	<u>\$ 59,526</u>	<u>\$ 93,797</u>

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2019

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ (1,098)	\$ 28,378	\$ --
1240 <i>Due from Other Governments</i>	12,813	11,279	1,709
1000 Total Assets	<u>11,715</u>	<u>39,657</u>	<u>1,709</u>
LIABILITIES:			
Current Liabilities:			
2160 <i>Accrued Wages Payable</i>	\$ 10,571	\$ 5,280	\$ 1,540
2200 <i>Accrued Expenditures</i>	1,144	106	169
2000 Total Liabilities	<u>11,715</u>	<u>5,386</u>	<u>1,709</u>
FUND BALANCES:			
Restricted Fund Balances:			
3450 <i>Federal/State Funds Grant Restrictions</i>	--	34,271	--
3000 Total Fund Balances	<u>--</u>	<u>34,271</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 11,715</u>	<u>\$ 39,657</u>	<u>\$ 1,709</u>

EXHIBIT H-3

265 21st Century Community Learning Centers	270 ESEA, Title VI Part B, Subpart 2 Rural School	289 Title IV Part A, Subpart 1	410 State Textbook Fund	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ --	\$ --	\$ --	\$ --	\$ 27,280
--	1,749	--	--	27,550
<u>--</u>	<u>1,749</u>	<u>--</u>	<u>--</u>	<u>54,830</u>
\$ --	\$ 1,724	\$ --	\$ --	\$ 19,115
--	25	--	--	1,444
<u>--</u>	<u>1,749</u>	<u>--</u>	<u>--</u>	<u>20,559</u>
--	--	--	--	34,271
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>34,271</u>
<u>--</u>	<u>1,749</u>	<u>--</u>	<u>--</u>	<u>54,830</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, 2019

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ 5,717	\$ --
5800 <i>State Program Revenues</i>	--	748	--
5900 <i>Federal Program Revenues</i>	223,292	167,175	12,961
5020 Total Revenues	<u>223,292</u>	<u>173,640</u>	<u>12,961</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	223,292	--	12,961
0012 <i>Instructional Resources and Media Services</i>	--	--	--
0035 <i>Food Service</i>	--	157,870	--
0041 <i>General Administration</i>	--	--	--
0053 <i>Data Processing Services</i>	--	--	--
6030 Total Expenditures	<u>223,292</u>	<u>157,870</u>	<u>12,961</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	--	15,770	--
1200 Net Change in Fund Balances	--	15,770	--
0100 Fund Balances - Beginning	--	18,501	--
3000 Fund Balances - Ending	\$ --	\$ 34,271	\$ --

EXHIBIT H-4

265 21st Century Community Learning Centers	270 ESEA, Title VI Part B, Subpart 2 Rural School	289 Title IV Part A, Subpart 1	410 State Textbook Fund	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ --	\$ --	\$ --	\$ 5,717
--	--	--	35,414	36,162
95,100	20,977	6,900	--	526,405
<u>95,100</u>	<u>20,977</u>	<u>6,900</u>	<u>35,414</u>	<u>568,284</u>
88,128	20,977	6,900	35,414	387,672
835	--	--	--	835
2,008	--	--	--	159,878
2,789	--	--	--	2,789
1,340	--	--	--	1,340
<u>95,100</u>	<u>20,977</u>	<u>6,900</u>	<u>35,414</u>	<u>552,514</u>
--	--	--	--	15,770
--	--	--	--	15,770
--	--	--	--	18,501
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 34,271</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, 2019

Year Ended August 31	1 Tax Rates		2 Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2010 and Prior Years	\$ Various	\$ Various	\$ Various
2011	1.04	.078	58,905,599
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 (School Year Under Audit)	1.04	.0588	116,892,770
1000 Totals			

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

EXHIBIT J-1

10 Beginning Balance 9/1/18	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/19
\$ 63,900	\$ --	\$ 24	\$ 5	\$ (2)	\$ 63,868
1,759	--	--	--	--	1,759
1,044	--	--	--	(61)	984
7,132	--	--	--	4	7,135
1,896	--	--	--	(60)	1,836
7,294	--	424	24	(60)	6,786
8,505	--	993	62	(219)	7,230
12,597	--	3,618	236	(436)	8,307
22,539	--	5,534	360	(892)	15,753
--	1,284,430	1,158,993	65,539	(25,605)	34,294
<u>\$ 126,866</u>	<u>\$ 1,284,430</u>	<u>\$ 1,169,585</u>	<u>\$ 66,227</u>	<u>\$ (27,332)</u>	<u>\$ 147,953</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT J-2

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 4,525	\$ 5,717	\$ 1,192
5800 <i>State Program Revenues</i>	2,500	748	(1,752)
5900 <i>Federal Program Revenues</i>	152,800	167,175	14,375
5020 Total Revenues	<u>159,825</u>	<u>173,640</u>	<u>13,815</u>
EXPENDITURES:			
Current:			
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	161,825	157,870	3,955
Total Support Services - Student (Pupil)	<u>161,825</u>	<u>157,870</u>	<u>3,955</u>
6030 Total Expenditures	<u>161,825</u>	<u>157,870</u>	<u>3,955</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(2,000)</u>	<u>15,770</u>	<u>17,770</u>
Other Financing Sources (Uses):			
7915 <i>Transfers In</i>	2,000	--	(2,000)
7080 Total Other Financing Sources and (Uses)	<u>2,000</u>	<u>--</u>	<u>(2,000)</u>
1200 Net Change in Fund Balance	<u>--</u>	<u>15,770</u>	<u>15,770</u>
0100 Fund Balance - Beginning	<u>18,501</u>	<u>18,501</u>	<u>--</u>
3000 Fund Balance - Ending	<u>\$ 18,501</u>	<u>\$ 34,271</u>	<u>\$ 15,770</u>

SANTA ANNA INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

*DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2019*

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 64,742	\$ 67,078	\$ 2,336
5800 <i>State Program Revenues</i>	28,873	29,794	921
5020 <i>Total Revenues</i>	<u>93,615</u>	<u>96,872</u>	<u>3,257</u>
EXPENDITURES:			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	60,000	60,000	--
0072 <i>Interest on Long-Term Debt</i>	33,315	33,315	--
0073 <i>Bond Issuance Costs and Fees</i>	300	400	(100)
<i>Total Debt Service</i>	<u>93,615</u>	<u>93,715</u>	<u>(100)</u>
6030 <i>Total Expenditures</i>	<u>93,615</u>	<u>93,715</u>	<u>(100)</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	--	3,157	3,157
1200 <i>Net Change in Fund Balance</i>	<u>--</u>	<u>3,157</u>	<u>3,157</u>
0100 <i>Fund Balance - Beginning</i>	56,369	56,369	--
3000 <i>Fund Balance - Ending</i>	<u>\$ 56,369</u>	<u>\$ 59,526</u>	<u>\$ 3,157</u>

BURL D. LOWERY
CERTIFIED PUBLIC ACCOUNTANT

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BURL D. LOWERY, C.P.A.
JOYCE CORNELIUS, C.P.A.

**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, 2019, 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 7, 2020.

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.



Burl D. Lowery
Certified Public Accountant

Brownwood, TX
January 7, 2020

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2019

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

B. Financial Statement Findings

None

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2019

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
<p>2018-001: Bank accounts were not properly reconciled.</p> <p>Recommendation: The District should make sure that all interbank transfers are properly recorded in the general ledger. Any outstanding transfers should be considered on the bank reconciliation.</p>	Implemented	
<p>2018-002: The food service fund had an unfavorable budget variance.</p> <p>Recommendation: The District should monitor the expenditures that are necessary for the start-up costs of the new school year.</p>	Implemented	

SANTA ANNA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2019

Data Control Codes		Responses
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
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
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 make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ --
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 935,399
SF13	Pension Expense (object 6147) at fiscal year-end.	\$

In correspondence to all school administrators dated November 1, 2017, the TEA's Director of Financial Compliance stated "For 2017, and until further notice, no data should be entered in the field for data feed Schedule L-1 question SF13. If the AFR and data feed has been submitted no additional steps need to be taken."