

**BENAVIDES
INDEPENDENT
SCHOOL DISTRICT**

Annual Financial Report

For the Year Ended August 31, 2021



GOWLAND, STREATLY, MORALES & COMPANY, PLLC

Certified Public Accountants

Benavides Independent School District
Annual Financial Report
For The Year Ended August 31, 2021

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Introductory Section

CERTIFICATE OF BOARD

Benavides Independent School District
Name of School District

Duval
County

066-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) approved disapproved for the year ended August 31, 2021, at a meeting of the board of trustees of such school district on the 21st day of January 2022.

Nilda Garcia
Signature of Board Secretary

[Signature]
Signature of Board President

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

Financial Section



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Corpus Christi, TX 78413
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Fax: (361) 991-2880

GOWLAND, STREALLY, MORALES & COMPANY, PLLC
Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees
Benavides Independent School District
P.O. Drawer P
Benavides, Texas 78341-0916

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Benavides Independent School District ("the District") as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 Responsibilities for the Audit of the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Benavides Independent School District as of August 31, 2021, 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 2021, Benavides Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2021, Benavides Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. Our opinion is not modified with respect to this matter.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Benavides 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part 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.

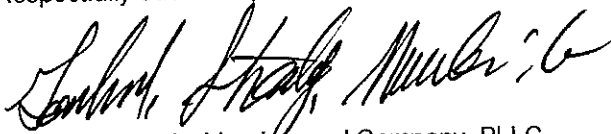
The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2022 on our consideration of Benavides Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Benavides Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



Gowland, Staley, Morales, and Company, PLLC

Corpus Christi, Texas
January 17, 2022

Management's Discussion and Analysis

This section of Benavides 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, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

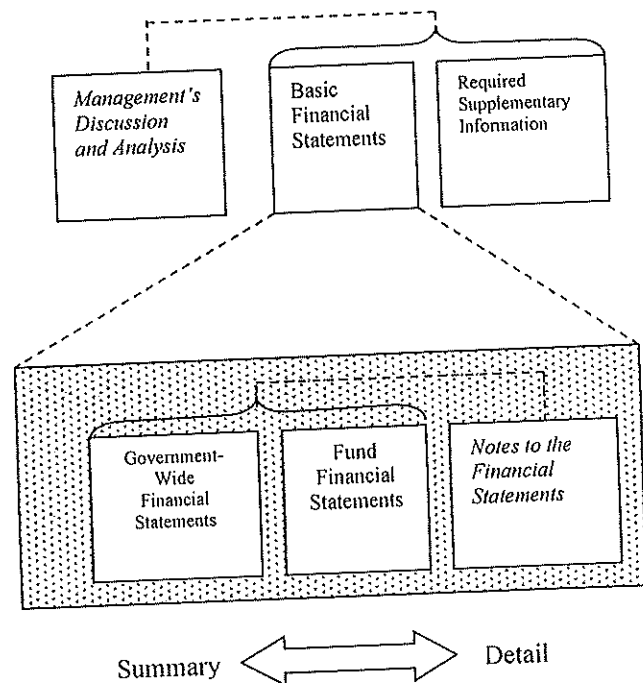
- The District's total combined net position was \$7,714,744 at August 31, 2021.
- During the year, the District's expenses were \$7,319,570 or \$622,356 more than the \$6,697,214 generated in taxes and other revenues for governmental activities, not including special items.
- The total cost of the District's programs was \$7,319,570 or \$1,218,084 more than last year, with no new programs added.
- The general fund reported a fund balance this year of \$4,058,105, which is \$1,039,556 less than the 2020 balance of \$5,097,661.

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-term* 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.

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



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

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

Figure A-2. Major Features of the District's Government-Wide and Fund Financial Statements				
Type of Statements	Fund Statements			
	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's government (except fiduciary funds) and the District's component units	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statement	*Statement of net position	*Balance Sheet	*Statement of net position	*Statement of Fiduciary net position
	*Statement of activities	*Statement of revenues, expenditures & changes in fund balances	*Statement of revenues, expenses and changes in fund net position *Statement of cash flows	*Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial 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 three 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 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 statement, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Internal Service Funds* – These funds are used to report activities that provide supplies and services for the District's other programs and activities – such as the District's Self Insurance Fund.
- *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. The District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was approximately \$7,714,744 at August 31, 2021. Investment in capital assets (e.g. land, buildings, furniture and equipment, less any related debt used to acquire those assets that is still outstanding) is \$6,442,618. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

A portion of the District's net position, \$934,974, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$337,152 may be used to meet the District's ongoing obligations. (See Table A-1).

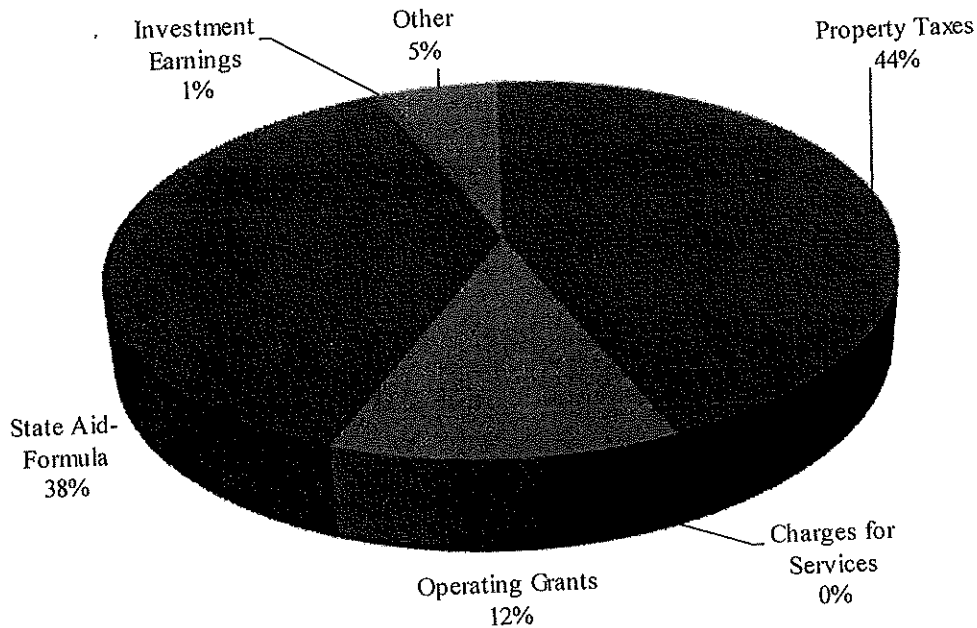
**Table A-1
The District's Net Position**

	Governmental Activities		Total Change
	2021	2020	2021-2020
Current Assets:			
Cash and Cash Equivalents	\$ 4,563,825	\$ 4,523,531	\$ 40,294
Current Investments	1,128,530	1,128,128	402
Property Taxes Receivable (net)	816,589	826,004	(9,415)
Due from Other Governments	415,586	764,974	(349,388)
Internal Balances	-	-	-
Due from Fiduciary	600	-	600
Other Receivables (Net)	1,364	6,138	(4,774)
Total Current Assets	<u>6,926,494</u>	<u>7,248,775</u>	<u>(322,281)</u>
Noncurrent Assets:			
Capital Assets	<u>11,076,369</u>	<u>11,235,577</u>	<u>(159,208)</u>
Total Assets	<u>18,002,863</u>	<u>18,484,352</u>	<u>(481,489)</u>
Deferred Outflows of Resources			
Deferred Outflow Related to Pensions	457,947	608,746	(150,799)
Deferred Outflow Related to OPEB	<u>185,215</u>	<u>242,441</u>	<u>(57,226)</u>
Total Deferred Outflows	<u>643,162</u>	<u>851,187</u>	<u>(208,025)</u>
Current Liabilities:			
Accounts Payable	370,092	195,176	174,916
Interest Payable	4,720	4,720	-
Accrued Liabilities	201,231	281,491	-
Due to Other Governments	2,739	-	2,739
Unearned Revenue	<u>975,762</u>	<u>348,939</u>	<u>626,823</u>
Total Current Liabilities	<u>1,554,544</u>	<u>830,326</u>	<u>724,218</u>
Long-Term Liabilities			
Due Within One Year	33,351	32,854	497
Due in More Than One Year	4,600,400	5,037,513	(437,113)
Net Pension Liability	1,065,415	1,209,249	(143,834)
Net OPEB Liability	<u>1,283,972</u>	<u>2,070,165</u>	<u>(786,193)</u>
Total Liabilities	<u>8,537,682</u>	<u>9,180,107</u>	<u>(642,425)</u>
Deferred Inflows of Resources			
Deferred Inflow Related to Pensions	342,924	306,472	36,452
Deferred Inflow Related to OPEB	<u>2,050,675</u>	<u>1,528,549</u>	<u>522,126</u>
Total Deferred Inflows	<u>2,393,599</u>	<u>1,835,021</u>	<u>558,578</u>
Net Position			
Net Investment in Capital Assets	6,442,618	6,165,210	277,408
Restricted	934,974	897,869	37,105
Unrestricted	337,152	1,257,932	(920,780)
Total Net Position	<u>\$ 7,714,744</u>	<u>\$ 8,321,011</u>	<u>\$ (606,267)</u>

Changes in Net Position

The District's total revenues were \$6,697,214. A significant portion, 44%, of the District's revenues comes from property taxes, 38% comes from state-aid formula (see Figure A-3), while 12% relates to operating grants.

Figure A-3 District Sources of Revenue for Fiscal Year



The total cost of all programs and services was \$7,319,570; 50% of these costs are for instructional and student services.

Governmental Activities

Property tax rates increased slightly from \$1.122/\$100 to \$1.123/\$100 valuation, although the District experienced an increase of \$83,623 in tax revenues to \$2,946,738.

Current and other assets decreased by \$322,281 from the previous year, mainly due from a drop in due from other governments. Capital assets decreased by \$159,208 due to depreciation.

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Table A-2
Changes in Benavides Independent School District
Statement of Activities

	Governmental Activities		Total Change
	2021	2020	2021-2020
Revenues:			
Program revenues:			
Charges for service	\$ 4,120	\$ 54,308	\$ (50,188)
Operating grants and contributions	2,757,760	1,521,811	1,235,949
General Revenues:			
Maintenance and operations taxes	2,374,030	2,307,162	66,868
Debt service taxes	572,708	555,953	16,755
Grants and contributions not restricted to specific functions	593,015	1,349,835	(756,820)
Investment earnings	39,655	42,810	(3,155)
Miscellaneous	355,926	2,655,734	(2,299,808)
Total Revenue	<u>6,697,214</u>	<u>8,487,613</u>	<u>(1,790,399)</u>
Expenses:			
Instruction, curriculum and media services	2,788,175	2,510,042	278,133
Instructional and school leadership	513,186	369,965	143,221
Student support services	363,376	409,217	(45,841)
Child nutrition	277,233	392,370	(115,137)
Cocurricular activities	222,527	271,398	(48,871)
General administration	1,255,923	799,841	456,082
Facilities maintenance, security & data processing	1,089,674	1,017,417	72,257
Community services	-	-	-
Debt services	118,509	124,154	(5,645)
Capital Outlay	513,733	-	513,733
Contracted instructional service	177,234	207,082	(29,848)
Total Expenses	<u>7,319,570</u>	<u>6,101,486</u>	<u>1,218,084</u>
Increase (decrease) in net position before special item	(622,356)	2,386,127	(3,008,483)
Special Item:			
Special Item Outflow	-	-	-
Special Item Inflow	-	-	-
Increase (decrease) in net position	(622,356)	2,386,127	(3,008,483)
Net Position, Beginning	8,321,011	5,934,884	2,386,127
Prior Period Adjustment	16,089	-	16,089
Net Position - Beginning, as Restated	8,337,100	5,934,884	2,402,216
Net Position, Ending	<u>\$ 7,714,744</u>	<u>\$ 8,321,011</u>	<u>\$ (606,267)</u>

Table A-3
Net Cost of Selected District Functions

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2021	2020		2021	2020	
Instruction	\$ 2,663,264	\$ 2,475,914	7.57%	\$ 1,473,152	\$ 1,773,730	-16.95%
General administration	1,255,923	799,841	57.02%	550,666	479,454	14.85%
Plant Maint. And Operations	912,985	820,827	11.23%	859,651	812,553	5.80%

Table A-3 presents the cost of each of the District's largest functions as well as each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$7,319,570.
- However, the amount that our taxpayers paid for these activities through property taxes was \$2,946,738.
- Some of the cost was paid by those who directly benefited from the programs, \$4,120, or by grants and contributions of \$814,165.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types total \$6,668,674, a decrease of \$1,652,193, or 19.9%, from the preceding year. This decrease is primarily due to a \$2,264,196 decrease in local revenues, which more than offset an increase of \$1,115,808 in federal program revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. Even with these adjustments, actual expenditures were \$1,904,894 below final budget amounts. The most significant positive variance resulted from lower capital outlay expenses. Staffing is budgeted for full employment throughout the year.

Additionally, resources available were \$517,622 below the financial budgeted amount. As noted earlier:

- Property tax collections and other local revenues were \$53,676 less than expected.
- State funding was \$385,328 less than the final amended budgeted amount for the current year.
- In the 2020-2021 school year, the general fund's fund balance decreased by \$1,039,556 to \$4,058,105.

Capital Assets

At the end of 2021, the District had invested \$11,076,370 in a broad range of capital assets, including land, buildings, equipment and vehicles (See Table A-4). This amount remained stable when compared to last year.

**Table A-4
District's Capital Assets**

	<u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>2021</u>
Land	\$ 40,762	\$ -	\$ -	\$ 40,762
Construction in Progress	-	-	-	-
Buildings and Improvements	22,639,446	12,000	-	22,651,446
Vehicles and Equipment	<u>1,871,295</u>	<u>351,279</u>	-	<u>2,222,574</u>
Totals at historical cost	<u>24,551,503</u>	<u>363,279</u>	-	<u>24,914,782</u>
Total accumulated depreciation	<u>13,315,926</u>	<u>522,486</u>	-	<u>13,838,412</u>
Net capital assets	<u><u>11,235,577</u></u>	<u><u>(159,207)</u></u>	<u><u>-</u></u>	<u><u>11,076,370</u></u>

Long-Term Debt

The District has the following debt at August 31, 2021:

**Table A-5
The District's Long-Term Debt**

	<u>2021</u>	<u>2020</u>	<u>Total % Change</u>
Ltd. tax refunding bonds	4,740,000	4,760,000	-0.42%
Premium on Bonds	105,708	105,708	0.00%
Capital leases	46,246	59,101	-21.75%
Net Pension Liability	1,065,415	1,209,249	-11.89%
Net OPEB Liability	<u>1,283,972</u>	<u>2,070,165</u>	-37.98%
	<u><u>\$ 7,241,341</u></u>	<u><u>\$ 8,204,223</u></u>	-11.74%

The District doesn't anticipate issuing any new debt of any kind during the next year. Additional information regarding the District's Long-Term Debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2021 property tax assessments will be up \$117,445,773, or 46.9% from 2020. However, the total tax rate will decrease to \$0.9664 per \$100 valuation for the general fund (plus a \$.157 tax rate per \$100 valuation for debt service fund, down from \$0.97 and .1523 per \$100 valuation in the 2020 tax year). No major construction is anticipated during the ensuing 2021 year.
- General operating fund spending per student increased in the 2021-2022 budget from \$16,814 to \$17,003, an increase of 1.1%.
- The district's 2022 refined average daily attendance is expected to decrease from 280 to 215 students.

These indicators were taken into account when adopting the general fund budget for 2021-2022. Amounts available for appropriation in the general fund budget are \$3,426,374, a decrease of 18.2% from the final 2021 budget of \$4,185,857. Property taxes are projected to decrease \$468,301 or 16.5% from the prior year's final budget, due to decreasing values.

State unrestricted revenue is expected to decrease by \$139,284, or 13.2% from the 2021 year, as the District will receive substantially less "Foundation" revenue than it did in the 2021 year. The District will use these revenues to finance programs currently offered.

Expenditures are budgeted to decrease by 22.4% or \$1,052,074 to \$3,655,717 from prior year actual expenditures. The largest decrease is in the area of instruction due to less students attending Benavides ISD as well as the need to eliminate several positions. The biggest increase is going to be in curriculum/staff development. The District has added no major new programs or initiatives to the 2022 budget.

If these estimates are realized, the District's budgetary general fund balance is expected to remain the same by the close of 2022.

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 Office.

Basic Financial Statements

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2021

1

Data Control Codes		Governmental Activities
	ASSETS:	
1110	Cash and Cash Equivalents	\$ 4,563,825
1120	Current Investments	1,128,530
1225	Property Taxes Receivable (Net)	816,589
1240	Due from Other Governments	415,586
1267	Due from Fiduciary	600
1290	Other Receivables (Net)	1,364
	Capital Assets:	40,762
1510	Land	10,396,139
1520	Buildings and Improvements, Net	639,468
1530	Furniture and Equipment, Net	<u>18,002,863</u>
1000	Total Assets	
	DEFERRED OUTFLOWS OF RESOURCES:	
	Deferred Outflow Related to Pensions	457,947
	Deferred Outflow Related to OPEB	<u>185,215</u>
1700	Total Deferred Outflows of Resources	<u>643,162</u>
	LIABILITIES:	
2110	Accounts Payable	370,092
2140	Interest Payable	4,720
2165	Accrued Liabilities	201,231
2180	Due to Other Governments	2,739
2300	Unearned Revenue	975,762
	Noncurrent Liabilities:	443,351
2501	Due Within One Year	4,190,400
2502	Due in More Than One Year	1,065,415
2540	Net Pension Liability	1,283,972
2545	Net OPEB Liability	<u>8,537,682</u>
2000	Total Liabilities	
	DEFERRED INFLOWS OF RESOURCES:	
	Deferred Inflow Related to Pensions	342,924
	Deferred Inflow Related to OPEB	<u>2,050,675</u>
2600	Total Deferred Inflows of Resources	<u>2,393,599</u>
	NET POSITION:	
3200	Net Investment in Capital Assets	6,442,618
	Restricted For:	584,765
3850	Debt Service	350,209
3890	Other Purposes	337,152
3900	Unrestricted	<u>\$ 7,714,744</u>
3000	Total Net Position	

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	
	Governmental Activities:				
		\$ 2,663,264	\$ 86	\$ 1,190,026	\$ (1,473,152)
11	Instruction	1,019	--	--	(1,019)
12	Instructional Resources and Media Services	123,892	--	113,199	(10,693)
13	Curriculum and Staff Development	244,120	--	191,457	(52,663)
21	Instructional Leadership	269,066	9	201,960	(67,097)
23	School Leadership	138,040	--	53,780	(84,260)
31	Guidance, Counseling, and Evaluation Services	22,742	--	39,074	16,332
33	Health Services	202,594	--	288	(202,306)
34	Student Transportation	277,233	617	177,034	(99,582)
35	Food Service	222,527	1,308	7,663	(213,556)
36	Cocurricular/Extracurricular Activities	1,255,923	2,100	703,157	(550,666)
41	General Administration	912,985	--	53,334	(859,651)
51	Facilities Maintenance and Operations	1,000	--	--	(1,000)
52	Security and Monitoring Services	175,689	--	26,788	(148,901)
53	Data Processing Services	115,485	--	--	(115,485)
72	Interest on Long-term Debt	3,024	--	--	(3,024)
73	Bond Issuance Costs and Fees	513,733	--	--	(513,733)
81	Capital Outlay	89,536	--	--	(89,536)
93	Payments Related to Shared Services Arrangements	87,698	--	--	(87,698)
99	Other Intergovernmental Charges	7,319,570	4,120	2,757,760	(4,557,690)
TG	Total Governmental Activities	\$ 7,319,570	\$ 4,120	\$ 2,757,760	(4,557,690)
TP	Total Primary Government				
	General Revenues:				2,374,030
	Property Taxes, Levied for General Purposes				572,708
	Property Taxes, Levied for Debt Service				39,655
	Investment Earnings				593,015
	Grants and Contributions Not Restricted to Specific Programs				355,926
	Miscellaneous				3,935,334
	Total General Revenues				(622,356)
	Change in Net Position				8,321,011
	Net Position - Beginning				16,089
	Prior Period Adjustment				8,337,100
	Net Position - Beginning, as Restated				\$ 7,714,744
	Net Position - Ending				
MT					
DT					
IE					
GC					
MI					
TR					
CN					
NB					
PA					
NE					

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes	10 General Fund	School Action Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110	\$ 4,297,913	\$ (66,943)	\$ 287,190	\$ 4,518,160
1120	1,128,530	--	--	1,128,530
1225	646,108	--	170,481	816,589
1240	98,737	148,183	168,666	415,586
1260	600	--	811	1,411
1290	241	--	1,123	1,364
1000	<u>6,172,129</u>	<u>81,240</u>	<u>628,271</u>	<u>6,881,640</u>
LIABILITIES:				
Current Liabilities:				
2110	\$ 290,891	\$ 79,201	\$ --	\$ 370,092
2150	(2,879)	--	--	(2,879)
2160	198,953	--	--	198,953
2170	33	--	778	811
2180	--	2,039	700	2,739
2200	5,157	--	--	5,157
2300	975,762	--	--	975,762
2000	<u>1,467,917</u>	<u>81,240</u>	<u>1,478</u>	<u>1,550,635</u>
DEFERRED INFLOWS OF RESOURCES:				
2600	646,107	--	170,481	816,588
	<u>646,107</u>	<u>--</u>	<u>170,481</u>	<u>816,588</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450	9,368	--	--	9,368
3480	--	--	153,247	153,247
3490	--	--	289,724	289,724
Committed Fund Balances:				
3510	1,618,022	--	--	1,618,022
3545	--	--	13,341	13,341
3600	2,430,715	--	--	2,430,715
3000	<u>4,058,105</u>	<u>--</u>	<u>456,312</u>	<u>4,514,417</u>
4000	<u>\$ 6,172,129</u>	<u>\$ 81,240</u>	<u>\$ 628,271</u>	<u>\$ 6,881,640</u>

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2021

Total fund balances - governmental funds balance sheet	\$ 4,514,417
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.	11,076,369
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	816,589
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	45,665
Payables for bond principal which are not due in the current period are not reported in the funds.	(4,740,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(46,244)
Payables for bond interest which are not due in the current period are not reported in the funds.	(4,720)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	258,204
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(1,065,415)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(342,924)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	457,947
Bond premiums are amortized in the SNA but not in the funds.	(105,711)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(1,283,972)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(2,050,675)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	185,215
Rounding difference	<u>(1)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 7,714,744</u>

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	10 General Fund	School Action Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 2,780,721	\$ --	\$ 575,135	\$ 3,355,856
5800 State Program Revenues	674,234	--	437,474	1,111,708
5900 Federal Program Revenues	213,280	1,452,226	535,604	2,201,110
5020 Total Revenues	<u>3,668,235</u>	<u>1,452,226</u>	<u>1,548,213</u>	<u>6,668,674</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,695,475	279,239	857,850	2,832,564
0012 Instructional Resources and Media Services	943	--	--	943
0013 Curriculum and Staff Development	3,798	105,694	7,542	117,034
0021 Instructional Leadership	36,731	170,050	20,163	226,944
0023 School Leadership	68,656	194,641	1,092	264,389
0031 Guidance, Counseling, and Evaluation Services	83,257	--	46,304	129,561
0033 Health Services	21,048	--	--	21,048
0034 Student Transportation	184,584	--	--	184,584
0035 Food Service	270,028	--	--	270,028
0036 Cocurricular/Extracurricular Activities	200,347	--	6,701	207,048
0041 General Administration	481,552	682,656	8,323	1,172,531
0051 Facilities Maintenance and Operations	790,130	--	88,052	878,182
0052 Security and Monitoring Services	925	--	--	925
0053 Data Processing Services	144,532	19,946	--	164,478
0071 Principal on Long-term Debt	12,855	--	20,000	32,855
0072 Interest on Long-term Debt	1,863	--	517,383	519,246
0073 Bond Issuance Costs and Fees	--	--	3,024	3,024
0081 Capital Outlay	533,833	--	--	533,833
0093 Payments to Shared Service Arrangements	89,536	--	--	89,536
0099 Other Intergovernmental Charges	87,698	--	--	87,698
6030 Total Expenditures	<u>4,707,791</u>	<u>1,452,226</u>	<u>1,576,434</u>	<u>7,736,451</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,039,556)</u>	<u>--</u>	<u>(28,221)</u>	<u>(1,067,777)</u>
Other Financing Sources and (Uses):				
7915 Transfers In	94,000	--	--	94,000
8911 Transfers Out	<u>(94,000)</u>	<u>--</u>	<u>--</u>	<u>(94,000)</u>
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	<u>(1,039,556)</u>	<u>--</u>	<u>(28,221)</u>	<u>(1,067,777)</u>
0100 Fund Balances - Beginning	5,097,661	--	468,444	5,566,105
1300 Prior Period Adjustment	--	--	16,089	16,089
Fund Balances - Beginning, as Restated	5,097,661	--	484,533	5,582,194
3000 Fund Balances - Ending	<u>\$ 4,058,105</u>	<u>\$ --</u>	<u>\$ 456,312</u>	<u>\$ 4,514,417</u>

The accompanying notes are an integral part of this statement.

BENAVIDES 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, 2021

Net change in fund balances - total governmental funds \$ (1,067,777)

Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	363,279
The depreciation of capital assets used in governmental activities is not reported in the funds.	(522,486)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(9,417)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	20,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	12,855
The accretion of interest on capital appreciation bonds is not reported in the funds.	410,000
(Increase) decrease in accrued interest from beginning of period to end of period.	(6,238)
The net revenue (expense) of internal service funds is reported with governmental activities.	14,005
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	73,083
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(116,500)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	241,966
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.	(35,124)
Rounding difference	(1)
	\$ (622,356)

Change in net position of governmental activities - Statement of Activities

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AUGUST 31, 2021

Data Control Codes		Nonmajor Internal Service Fund	Insurance Fund
	ASSETS:		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ 45,665	45,665
	Total Current Assets	<u>45,665</u>	<u>45,665</u>
1000	Total Assets		
	LIABILITIES:		
2000	Total Liabilities	<u>--</u>	<u>--</u>
	NET POSITION:		
3900	Unrestricted	\$ 45,665	45,665
3000	Total Net Position	<u>\$ 45,665</u>	<u>45,665</u>

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data
 Control
 Codes

Nonmajor
 Internal Service
 Fund

Insurance
 Fund

OPERATING REVENUES:	
5700	<i>Local and Intermediate Sources</i>
5020	Total Revenues
OPERATING EXPENSES:	
6400	<i>Other Operating Costs</i>
6030	Total Expenses
1300	Change in Net Position
0100	Total Net Position - Beginning
3300	Total Net Position - Ending

	46,696
	<u>46,696</u>
	32,691
	<u>32,691</u>
	14,005
	31,660
	<u>\$ 45,665</u>

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Nonmajor
Service
Funds

Cash Flows from Operating Activities:

*Cash Receipts (Payments) for Quasi-external
 Operating Transactions with Other Funds*
Cash Payments to Other Suppliers for Goods and Services
 Net Cash Provided (Used) by Operating Activities

\$	46,696
	(32,691)
	<u>14,005</u>

Net Increase (Decrease) in Cash and Cash Equivalents
 Cash and Cash Equivalents at Beginning of Year
 Cash and Cash Equivalents at End of Year

	14,005
	31,660
\$	<u>45,665</u>

**Reconciliation of Operating Income to Net Cash Provided
 by Operating Activities:**

Operating Income (Loss)
 Adjustments to Reconcile Operating Income to Net Cash
 Provided by Operating Activities:
 Change in Assets and Liabilities:
Increase (Decrease) in Accounts Payable
Total Adjustments
 Net Cash Provided (Used) by Operating Activities

\$	14,005
	--
	--
\$	<u>14,005</u>

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2021

Data
Control
Codes

ASSETS:
1110 *Cash and Cash Equivalents*
1000 **Total Assets**

LIABILITIES:
Current Liabilities:
2170 *Due to Other Funds*
2000 **Total Liabilities**

NET POSITION:
3800 *Restricted for Other Purposes*
3000 **Total Net Position**

Custodial
Fund

Student
Activity

\$ 30,643
30,643

\$ 600
600

30,043
\$ 30,043

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Custodial Funds
ADDITIONS:	
Contributions from Foundations, Gifts and Bequests	\$ 8,175
Student Group Fundraising Activities	20,669
Total Additions	<u>28,844</u>
DEDUCTIONS:	
Supplies and Materials	24,632
Other Operating Expenses	4,384
Total Deductions	<u>29,016</u>
Change in Fiduciary Net Position	(172)
Net Position-Beginning of the Year	--
Prior Period Adjustment	30,215
Net Position-End of the Year	<u>\$ 30,043</u>

The accompanying notes are an integral part of this statement.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

A. Summary of Significant Accounting Policies

The basic financial statements of Benavides 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.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

School Action Fund: This fund accounts for revenues and related expenditures of the School Action Fund Grant from the U.S. Department of Education.

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

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

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

b. Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end, with the exception of property taxes, which are fully deferred. 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.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period. The assessed value of the roll on January 1, 2020, upon which the levy for the 2021 fiscal year was based, was \$253,167,978.

The tax rates assessed for the year ended August 31, 2021, to finance General Fund operations and Debt Service was \$1.1234 per \$100 valuation.

Current tax collections, net of discounts, for the year ended August 31, 2021 were 93% of the year-end adjusted tax levy.

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.

The following table shows a schedule of delinquent taxes receivable and the allowance for uncollectible taxes for the District:

	Balance 09/01/20	Current Year Levy	Total Collections	Yearly Adjustments	Balance 08/31/21
Delinquent Taxes Receivable	\$ 1,703,217	\$ 2,976,435	\$ 2,879,274	\$ (106,745)	1,693,633
Allowance for Uncollectible Taxes	(877,213)			--	(877,213)
Net Delinquent Taxes Receivable	<u>\$ 826,004</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 816,420</u>

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.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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

Impairment losses related to capital assets are recognized and measured when there has been a significant, unexpected decline in the service utility of capital assets. The events or changes in circumstances which lead to impairment determinations are not considered to be normal or ordinary. The service utility of a capital asset is the usable capacity which, at acquisition, was expected to be used or provide service. Common indicators of impairment include - evidence of physical damage where the level of damage is such that restoration efforts are needed to restore service utility; enactment of laws or approval of regulations as well as changes in environmental factors ; technological developments, or other evidence of obsolescence; changes in the manner of duration of use of capital assets; or construction stoppage due to lack of funding. There were no impairment charges during fiscal 2021.

e. Deferred Outflows and Inflows of Resources

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

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

f. Receivable and Payable Balances

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

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

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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.

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. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

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

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

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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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.

6. Implementation of New Standards

GASB Statement No. 84, Fiduciary Activities

This statement establishes standards of accounting and financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement also establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

7. Future Implementation of New Standards

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

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

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

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

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

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

Statement No. 87, *Leases*

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

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

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

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

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

BENAVIDES INDEPENDENT SCHOOL DISTRICT
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FOR THE YEAR ENDED AUGUST 31, 2021

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, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,402,736 and the bank balance was \$4,810,208. The District's cash deposits at August 31, 2021 and during the year ended August 31, 2021, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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, 2021 is shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Lone Star Investment Pool	N/A	\$ 1,128,530
Total Investments		<u>\$ 1,128,530</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, 2021, 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:

Lone Star Investment Pool, Rated AAAM

BENAVIDES INDEPENDENT SCHOOL DISTRICT
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b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

D. Capital Assets

Capital asset activity for the year ended 2021, Benavides Independent School District, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 40,762	\$ --	\$ --	\$ 40,762
Total capital assets not being depreciated	40,762	--	--	40,762
<i>Capital assets being depreciated:</i>				
Buildings and improvements	22,639,446	12,000	--	22,651,446
Equipment	887,206	351,279	--	1,238,485
Vehicles	984,089	--	--	984,089
Total capital assets being depreciated	24,510,741	363,279	--	24,874,020
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(11,867,444)	(387,861)	--	(12,255,305)
Equipment	(557,864)	(116,273)	--	(674,137)
Vehicles	(890,618)	(18,352)	--	(908,970)
Total accumulated depreciation	(13,315,926)	(522,486)	--	(13,838,412)
Total capital assets being depreciated, net	11,194,815	(159,207)	--	11,035,608
Governmental activities capital assets, net	\$ 11,235,577	\$ (159,207)	\$ --	\$ 11,076,370

Depreciation was charged to functions as follows:

Instruction	\$ 227,542
Instructional Resources and Media Services	76
Curriculum and Staff Development	9,467
Instructional Leadership	18,357
School Leadership	21,386
Guidance, Counseling, & Evaluation Services	10,480
Health Services	1,703
Student Transportation	18,352
Food Services	21,842
Extracurricular Activities	16,648
General Administration	94,568
Plant Maintenance and Operations	68,677
Security and Monitoring Services	75
Data Processing Services	13,313
	\$ 522,486

E. Interfund Balances and Activities

1. Due To and From Other Funds

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

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 33	Short-term loans
General Fund	Custodial Fund	600	Short-term loans
Other Governmental Funds	Other Governmental Funds	778	Short-term loans
	Total	\$ 1,411	

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

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

2. Transfers To and From Other Funds

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

Transfers From	Transfers To	Amount	Reason
General fund	Food Service General Fund	\$ 94,000	Supplement other funds sources
	Total	<u>\$ 94,000</u>	

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended 2021, Benavides Independent School District, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Ltd Tax Refunding Bonds -2012	\$ 4,760,000	\$ --	\$ 20,000	\$ 4,740,000	\$ 430,000
Premium on Bonds	105,708	--	--	105,708	--
Capital Leases	59,101	--	12,855	46,246	13,351
Net Pension Liability *	1,209,249	(61,756)	82,078	1,065,415	--
Net OPEB Liability *	2,070,165	(760,521)	25,672	1,283,972	--
Total governmental activities	<u>\$ 8,204,223</u>	<u>\$ (822,277)</u>	<u>\$ 140,605</u>	<u>\$ 7,241,341</u>	<u>\$ 443,351</u>
				(258,203)	
				<u>6,983,138</u>	
				Total Long-Term Debt	

* Other long-term liabilities

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

Liability	Activity Type	Fund
Net Pension Liability	Governmental	General
Net OPEB Liability	Governmental	General

Unlimited Tax School Bonds:

\$6,720,000 Unlimited Tax Refunding Bonds, Series 2012, payable in annual installments of \$532,3822 to \$532,220 including interest at 2% to 2.5%, secured by property taxes and maturing August 2031

	2021	2020
	<u>\$ 4,740,000</u>	<u>\$ 4,760,000</u>

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

2. Debt Service Requirements

Debt service requirements on long-term debt at 2021, Benavides Independent School District, are as follows:

Year Ending 2021.	2012 Refunding		
	Governmental Activities		
	Principal	Interest	Total
2022	\$ 430,000	\$ 107,380	\$ 537,380
2023	440,000	96,632	536,632
2024	450,000	85,633	535,633
2025	455,000	74,383	529,383
2026	470,000	63,008	533,008
2027-2031	2,495,000	167,625	2,662,625
Totals	\$ 4,740,000	\$ 594,661	\$ 5,334,661

3. Advance Refunding of Debt

On December 1, 2012, the District issued \$6,720,000 in Unlimited Tax Refunding Bonds, Series 2012, with interest rates ranging between 2.0% and 2.5%. The District issued the bonds to advance refund \$6,720,000 of the outstanding Series 2006 Unlimited Tax School Building Bonds with interest ranging from 5.0% to 4.1%. The District used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2006 Series bonds. As a result, that portion of the 2006 Series bonds is considered defeased, and the District has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$0 at August 31, 2016 as they were called on August 15, 2016.

The advance refunding reduced total debt service payments over the next 19 years by nearly \$984,605. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$836,912.

4. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of 2021, Benavides Independent School District, as follows:

<u>Year Ending 2021:</u>	
2022	\$ 14,718
2023	14,718
2024	14,719
2025	3,680
Total Minimum Lease Payments	\$ 47,835
Less amounts representing interest	(1,589)
Present value of net minimum lease payments	\$ 46,246

The effective interest rate on capital leases is 2.72% to 3.25%.

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 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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

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

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, selecting About TRS or 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 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

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

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

4. Contributions

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

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

<u>Contribution Rates</u>		
	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
District's 2021 Employer Contributions	\$ 122,732	
District's 2021 Member Contributions	\$ 190,200	
2020 NECE On-Behalf Contributions (state)	\$ 119,122	

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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
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In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

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

5. Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Last year ending August 31 in Projection Period	2119
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

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

6. Discount Rate

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

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

The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2020 are summarized below:

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

Asset Class	Target Allocation *	Long-Term Expected Arithmetic Real Rate of Return **	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	(0.70)%	(0.05)%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	1.50%	(0.03)%
Asset Allocation Leverage	(6.00%)	1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag ***	-		(0.67)%
Total	<u>100.0%</u>		<u>7.33%</u>

* Target allocations are based on the FY2020 policy model.
** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020)
*** The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability:	\$ 1,642,850	\$ 1,065,415	\$ 596,261

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

At August 31, 2021, the District reported a liability of \$1,065,415 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 1,065,415
State's proportionate share that is associated with District	<u>1,546,274</u>
Total	<u>\$ 2,611,689</u>

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0019892743 percent which was an increase (decrease) of -0.00033696 percent from its proportion measured as of August 31, 2019.

9. **Changes Since the Prior Actuarial Valuation**

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

For the year ended August 31, 2021, the District recognized pension expense of \$185,982 and revenue of \$185,982 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,945	\$ 29,733
Changes in actuarial assumptions	247,214	105,114
Difference between projected and actual investment earnings	21,569	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	64,487	208,077
Contributions paid to TRS subsequent to the measurement date	122,732	--
Total	\$ 457,947	\$ 342,924

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
2022	\$ 36,295
2023	\$ 8,244
2024	\$ 7,168
2025	\$ (17,171)
2026	\$ (35,066)
Thereafter	\$ (7,179)

I. **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 with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

3. Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

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

4. Contributions

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

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. 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.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

Contribution Rates	
	Rate
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding *	1.25%
Total	
* Contributions paid from federal funds and private grants are remitted by the employer and paid at the State rate.	

District's 2021 Employer Contributions	\$ 38,373
District's 2021 Member Contributions	\$ 16,055
2020 NECE On-Behalf Contributions (state)	\$ 34,497

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 TRS Care a monthly surcharge of \$535 per retiree.

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

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability	

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.50% to 4.25%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 45% participation after age 65.
Ad Hoc Post-Employment Benefit Changes	None

6. Discount Rate

A single discount rate of 2.33 percent was used to measure the total OPEB liability. This was a decrease of .30 percent in the discount rate since the previous year. Because the plan is essentially a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the 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 used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of net OPEB liability	\$ 1,540,764	\$ 1,283,972	\$ 1,081,144

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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

At August 31, 2021, the District reported a liability of \$(403,936) 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	\$	1,283,972
State's proportionate share that is associated with the District	\$	<u>1,725,351</u>
Total		<u>\$ 3,009,323</u>

The Net OPEB liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The 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, 2019 thru August 31, 2020.

At August 31, 2021 the District's proportion of the collective net OPEB liability was 0.0033775842%, compared 0.0043774813% in the prior year.

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of net OPEB liability	\$ 1,048,841	\$ 1,283,972	\$ 1,597,134

9. Changes Since the Prior Actuarial Valuation

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

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

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was \$(11,980).

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 67,228	\$ 587,611
Changes in actuarial assumptions	79,194	352,585
Differences between projected and actual investment earnings	417	
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	3	1,110,479
Contributions paid to TRS subsequent to the measurement date	38,373	
Total	\$ 185,215	\$ 2,050,675

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

Year ended August 31,	OPEB Expense Amount
2022	\$ (282,641)
2023	\$ (282,698)
2024	\$ (282,731)
2025	\$ (282,722)
2026	\$ (248,426)
Thereafter	\$ (524,614)

For the year ended August 31, 2021, the District recognized OPEB expense of \$(11,980) and revenue of \$(11,980) for support provided by the State.

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 fiscal year ended August 31, 2021, the subsidy payment received by TRS-Care on behalf of the District was \$.

J. Employee Health Care Coverage

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$275 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the licensed insurer is renewable September 1, 2021, and terms of coverage and premium costs are included in the contractual provisions.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

Latest financial statements for the Blue Cross Blue Shield of Texas are available for the year ended December 31, 2020, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

K. 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, 2021.

L. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for IDEA-B Formula and IDEA-B Preschool with the following school districts:

Member Districts

San Diego ISD
Benavides ISD
Freer ISD
Ramirez 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, San Diego 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 for Vocational Education - Basic Grant with numerous other school districts. The District accounts for revenues and expenditures of this program in the special revenue fund 244. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Region 2 Education Service Center 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.

M. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through January 17, 2022 (the date of the Audit Report). The financial statements include all Type I events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management and those charged with governance have determined that there are no non-recognized Type II subsequent events that require additional disclosure:

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

N. COVID-19

In November of 2019, the United States learned of the virus known as COVID-19. Over the last year, it has changed the dynamics of the economy including the New York Stock Exchange, which has remained volatile.

The District and its Board of Trustees have no control over these global and national events, except to try to guide the District through these condition they present. These conditions may include, but may not be limited to:

1. Unstable economic environment
2. Potentially violent fluctuations in the stock market
3. Potential shortages of basic goods and services
4. Managing any loss of revenue and unexpected expenditures that may occur

As of the audit date, the District has had no material effect on the financial statements as a result of these conditions.

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.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		3 Actual	Variance with Final Budget Positive (Negative)
	1 Original	2 Final		
REVENUES:				
5700	\$ 2,566,002	\$ 2,834,397	\$ 2,780,721	\$ (53,676)
5800	1,174,271	1,059,562	674,234	(385,328)
5900	405,498	291,898	213,280	(78,618)
5020	<u>4,145,771</u>	<u>4,185,857</u>	<u>3,668,235</u>	<u>(517,622)</u>
EXPENDITURES:				
Current:				
Instruction and Instructional Related Services:				
0011	1,500,650	1,714,160	1,695,475	18,685
			943	11,057
0012	12,000	12,000		
			3,798	13,880
0013	18,050	17,678		
			1,700,216	43,622
	<u>1,530,700</u>	<u>1,743,838</u>		
Instructional and School Leadership:				
0021	20,160	39,160	36,731	2,429
			68,656	32,450
0023	88,106	101,106		
			105,387	34,879
	<u>108,266</u>	<u>140,266</u>		
Support Services - Student (Pupil):				
0031	73,140	86,140	83,257	2,883
			21,048	1,905
0033	21,953	22,953		
			184,584	54,354
0034	276,779	238,938		
			270,028	9,155
0035	291,403	279,183		
			200,347	77,811
0036	281,296	278,158		
			759,264	146,108
	<u>944,571</u>	<u>905,372</u>		
Administrative Support Services:				
0041	360,591	498,575	481,552	17,023
			481,552	17,023
	<u>360,591</u>	<u>498,575</u>		
Support Services - Nonstudent Based:				
0051	808,205	802,979	790,130	12,849
			925	35,025
0052	35,950	35,950		
			144,532	14,255
0053	143,412	158,787		
			935,587	62,129
	<u>987,567</u>	<u>997,716</u>		
Debt Service:				
0071	11,826	14,364	12,855	1,509
			1,863	826
0072	--	2,689		
			14,718	2,335
	<u>11,826</u>	<u>17,053</u>		
Capital Outlay:				
0081	--	2,107,615	533,833	1,573,782
			533,833	1,573,782
	<u>--</u>	<u>2,107,615</u>		
Intergovernmental Charges:				
0093	93,250	93,250	89,536	3,714
			87,698	21,302
0099	109,000	109,000		
			177,234	25,016
	<u>202,250</u>	<u>202,250</u>		
6030	<u>4,145,771</u>	<u>6,612,685</u>	<u>4,707,791</u>	<u>1,904,894</u>

BENAVIDES INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2021

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)	--	(2,426,828)	(1,039,556)		1,387,272
1100	Expenditures					
	Other Financing Sources (Uses):					
7915	Transfers In	--	118,000	94,000		(24,000)
8911	Transfers Out	--	(118,000)	(94,000)		24,000
1200	Net Change in Fund Balance	--	(2,426,828)	(1,039,556)		1,387,272
0100	Fund Balance - Beginning	5,097,661	5,097,661	5,097,661		--
3000	Fund Balance - Ending	<u>\$ 5,097,661</u>	<u>\$ 2,670,833</u>	<u>\$ 4,058,105</u>		<u>\$ 1,387,272</u>

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

	Measurement Year Ended August 31,						
	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0019892743%	0.0023262342%	0.0023915420%	0.0025989069%	0.0027911216%	0.0029824000%	0.0012294000%
\$	1,065,415 \$	1,209,249 \$	1,316,363 \$	830,990 \$	1,054,723 \$	1,054,239 \$	328,390
District's proportionate share of the net pension liability (asset)	1,546,274	1,603,343	2,098,854	1,444,699	1,476,073	1,675,038	1,466,242
State's proportionate share of the net pension liability (asset) associated with the District	<u>2,611,689 \$</u>	<u>2,812,592 \$</u>	<u>3,415,217 \$</u>	<u>2,275,689 \$</u>	<u>2,530,796 \$</u>	<u>2,729,277 \$</u>	<u>1,794,632</u>
Total	\$ 2,203,185 \$	2,186,116 \$	2,356,616 \$	2,659,721 \$	2,357,566 \$	2,600,887 \$	2,331,294
District's covered-employee payroll							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.36%	55.31%	55.86%	31.24%	44.74%	40.53%	14.09%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

* 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.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
LAST TEN FISCAL YEARS *

	Fiscal Year Ended August 31,						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 122,732	\$ 82,213	\$ 78,558	\$ 83,254	\$ 95,916	\$ 116,218	\$ 51,659
Contributions in relation to the contractually required contribution	(122,732)	(82,213)	(78,558)	(83,254)	(95,916)	(116,218)	(51,659)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 2,454,950	\$ 2,203,185	\$ 2,186,116	\$ 2,356,616	\$ 2,659,721	\$ 2,357,566	\$ 2,600,887
Contributions as a percentage of covered-employee payroll	5.00%	3.73%	3.59%	3.53%	3.61%	4.93%	1.99%

* 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.

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2019 - August 31, 2020.

BENAVIDES 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			
	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0033775842%	0.0043774813%	0.0052447096%	0.0055631733%
District's proportionate share of the collective net OPEB liability	\$ 1,283,972 \$	2,070,165 \$	2,618,732 \$	2,419,215
State proportionate share of the collective net OPEB liability associated with the District	1,725,351	2,750,786	1,919,548	1,913,782
Total	<u>\$ 3,009,323</u>	<u>\$ 4,820,951</u>	<u>\$ 4,538,280</u>	<u>\$ 4,332,997</u>
District's covered-employee payroll	\$ 2,203,185 \$	2,186,116 \$	2,356,616 \$	2,659,721
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	58.28%	94.70%	111.12%	90.96%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

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

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

	Fiscal Year Ended			
	2021	2020	2019	2018
Statutorily or contractually required District contribution	\$ 38,373	\$ 25,672	\$ 29,998	\$ 37,251
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	<u>(38,373)</u>	<u>(25,672)</u>	<u>(29,998)</u>	<u>(37,251)</u>
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 2,454,950	\$ 2,203,185	\$ 2,186,116	\$ 2,356,616
Contributions as a percentage of covered-employee payroll	1.56%	1.17%	1.37%	1.58%

* 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 informatio for those years for which information is available.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2021

Budget

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

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

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

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

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

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

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

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

Other Post-Employment Benefit Plan

Changes of benefit terms

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

Changes of assumptions

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

*Combining Statements and Budget Comparisons
as Supplementary Information*

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

BENAVIDES INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ 137,508	\$ 149,682	\$ 287,190
1225 <i>Taxes Receivable, Net</i>	--	170,481	170,481
1240 <i>Due from Other Governments</i>	165,101	3,565	168,666
1260 <i>Due from Other Funds</i>	811	--	811
1290 <i>Other Receivables</i>	1,123	--	1,123
1000 Total Assets	<u>304,543</u>	<u>323,728</u>	<u>628,271</u>
LIABILITIES:			
Current Liabilities:			
2170 <i>Due to Other Funds</i>	\$ 778	\$ --	\$ 778
2180 <i>Due to Other Governments</i>	700	--	700
2000 Total Liabilities	<u>1,478</u>	<u>--</u>	<u>1,478</u>
DEFERRED INFLOWS OF RESOURCES:			
	--	170,481	170,481
2600 <i>Deferred Revenue</i>	--	170,481	170,481
2600 Total Deferred Inflows of Resources	<u>--</u>	<u>170,481</u>	<u>170,481</u>
FUND BALANCES:			
Restricted Fund Balances:			
3480 <i>Retirement of Long-Term Debt</i>	--	153,247	153,247
3490 <i>Other Restrictions of Fund Balance</i>	289,724	--	289,724
Committed Fund Balances:			
3545 <i>Other Committed Fund Balance</i>	13,341	--	13,341
3000 Total Fund Balances	<u>303,065</u>	<u>153,247</u>	<u>456,312</u>
4000 Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 304,543</u>	<u>\$ 323,728</u>	<u>\$ 628,271</u>

BENAVIDES INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

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>	\$ 1,258	\$ 573,877	\$ 575,135
5800 <i>State Program Revenues</i>	435,528	1,946	437,474
5900 <i>Federal Program Revenues</i>	535,604	--	535,604
5020 Total Revenues	<u>972,390</u>	<u>575,823</u>	<u>1,548,213</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	857,850	--	857,850
0013 <i>Curriculum and Staff Development</i>	7,542	--	7,542
0021 <i>Instructional Leadership</i>	20,163	--	20,163
0023 <i>School Leadership</i>	1,092	--	1,092
0031 <i>Guidance, Counseling, and Evaluation Services</i>	46,304	--	46,304
0036 <i>Cocurricular/Extracurricular Activities</i>	6,701	--	6,701
0041 <i>General Administration</i>	8,323	--	8,323
0051 <i>Facilities Maintenance and Operations</i>	88,052	--	88,052
0071 <i>Principal on Long-term Debt</i>	--	20,000	20,000
0072 <i>Interest on Long-term Debt</i>	--	517,383	517,383
0073 <i>Bond Issuance Costs and Fees</i>	--	3,024	3,024
6030 Total Expenditures	<u>1,036,027</u>	<u>540,407</u>	<u>1,576,434</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(63,637)</u>	<u>35,416</u>	<u>(28,221)</u>
1200 Net Change in Fund Balances	<u>(63,637)</u>	<u>35,416</u>	<u>(28,221)</u>
0100 Fund Balances - Beginning	350,613	117,831	468,444
1300 Prior Period Adjustment	16,089	--	16,089
Fund Balances - Beginning, as Restated	366,702	117,831	484,533
3000 Fund Balances - Ending	<u>\$ 303,065</u>	<u>\$ 153,247</u>	<u>\$ 456,312</u>

BENAVIDES INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2021

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	225 IDEA-Part B Preschool Grant	244 Career and Tech Education Basic Grant
ASSETS:				
1110 Cash and Cash Equivalents	\$ (33,763)	\$ (57,144)	\$ (3,343)	\$ --
1240 Due from Other Governments	33,763	57,144	3,343	--
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1000 Total Assets	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
LIABILITIES:				
Current Liabilities:				
2170 Due to Other Funds	\$ --	\$ --	\$ --	\$ --
2180 Due to Other Governments	--	--	--	--
2000 Total Liabilities	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
FUND BALANCES:				
Restricted Fund Balances:				
3490 Other Restrictions of Fund Balance	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
4000 Total Liabilities and Fund Balances	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

	255 ESEA Title II Training & Recruiting	266 Coronavirus Aid Relief, and Economic Security Act	270 ESEA, Title VI Part B, Subpart 2 Rural School	277 Cares Act Coronavirus Relief Fund (CRF)	289 ESSA, Title IV Part A, Subpart 1
	\$ --	\$ --	\$ (749)	\$ --	\$ (4,224)
	--	--	749	--	4,224
	--	--	--	--	--
	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	\$ --	\$ --	\$ --	\$ --	\$ --
	--	--	--	--	--
	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	\$ --	\$ --	\$ --	\$ --	\$ --
	--	--	--	--	--
	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	\$ --	\$ --	\$ --	\$ --	\$ --

BENAVIDES INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2021

Data Control Codes	410 State Textbook Fund	427 PTECH and ICIA Planning Fund	429 State Funded Special Revenue Fund
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ (5,796)	\$ (37,255)	\$ (3,524)
1240 <i>Due from Other Governments</i>	6,574	37,255	3,874
1260 <i>Due from Other Funds</i>	--	--	--
1290 <i>Other Receivables</i>	--	--	--
1000 Total Assets	<u>778</u>	<u>--</u>	<u>350</u>
LIABILITIES:			
Current Liabilities:			
2170 <i>Due to Other Funds</i>	\$ 778	\$ --	\$ --
2180 <i>Due to Other Governments</i>	--	--	350
2000 Total Liabilities	<u>778</u>	<u>--</u>	<u>350</u>
FUND BALANCES:			
Restricted Fund Balances:			
3490 <i>Other Restrictions of Fund Balance</i>	--	--	--
Committed Fund Balances:			
3545 <i>Other Committed Fund Balance</i>	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 778</u>	<u>\$ --</u>	<u>\$ 350</u>

459 Summer Career Fund	461 Campus Activity Funds	499 Insurance Claims	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ (17,825) 18,175 -- -- <u>350</u>	\$ 11,407 -- 811 1,123 <u>13,341</u>	\$ 289,724 -- -- -- <u>289,724</u>	\$ 137,508 165,101 811 1,123 <u>304,543</u>
\$ -- 350 <u>350</u>	\$ -- -- <u>--</u>	\$ -- -- <u>--</u>	\$ 778 700 <u>1,478</u>
-- -- <u>--</u>	-- 13,341 <u>13,341</u>	289,724 -- <u>289,724</u>	289,724 13,341 <u>303,065</u>
\$ <u>350</u>	\$ <u>13,341</u>	\$ <u>289,724</u>	\$ <u>304,543</u>

BENAVIDES INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	225 IDEA-Part B Preschool Grant	244 Career and Tech Education Basic Grant
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	216,042	57,144	3,343	65,413
5020 Total Revenues	<u>216,042</u>	<u>57,144</u>	<u>3,343</u>	<u>65,413</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	202,526	57,144	3,343	45,250
0013 <i>Curriculum and Staff Development</i>	7,497	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--	20,163
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	6,019	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
6030 Total Expenditures	<u>216,042</u>	<u>57,144</u>	<u>3,343</u>	<u>65,413</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
1300 Prior Period Adjustment	--	--	--	--
Fund Balances - Beginning, as Restated	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

	255 ESEA Title II Training & Recruiting	266 Coronavirus Aid Relief, and Economic Security Act	270 ESEA, Title VI Part B, Subpart 2 Rural School	289 ESSA, Title IV Part A, Subpart 1	427 PTECH and ICIA Planning Fund
	\$ --	\$ --	\$ --	\$ --	\$ --
	--	--	--	--	361,711
	27,470	150,936	5,718	9,538	--
	<u>27,470</u>	<u>150,936</u>	<u>5,718</u>	<u>9,538</u>	<u>361,711</u>
	20,660	104,372	5,718	9,538	322,172
	45	--	--	--	--
	--	--	--	--	--
	--	--	--	--	39,539
	6,765	--	--	--	--
	--	--	--	--	--
	--	46,564	--	--	--
	<u>27,470</u>	<u>150,936</u>	<u>5,718</u>	<u>9,538</u>	<u>361,711</u>
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

BENAVIDES INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	429 State Funded Special Revenue Fund	459 Summer Carreer Fund
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --
5800 <i>State Program Revenues</i>	29,548	44,269
5900 <i>Federal Program Revenues</i>	--	--
5020 Total Revenues	<u>29,548</u>	<u>44,269</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	13,693	44,269
0013 <i>Curriculum and Staff Development</i>	--	--
0021 <i>Instructional Leadership</i>	--	--
0023 <i>School Leadership</i>	1,051	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--
0041 <i>General Administration</i>	2,304	--
0051 <i>Facilities Maintenance and Operations</i>	12,500	--
6030 Total Expenditures	<u>29,548</u>	<u>44,269</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--
1100 Expenditures	--	--
1200 Net Change in Fund Balances	--	--
0100 Fund Balances - Beginning	--	--
1300 Prior Period Adjustment	--	--
Fund Balances - Beginning, as Restated	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

461 Campus Activity Funds	499 Insurance Claims	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ 1,258	\$ --	\$ 1,258
--	--	435,528
--	--	535,604
<u>1,258</u>	<u>--</u>	<u>972,390</u>
400	28,765	857,850
--	--	7,542
--	--	20,163
41	--	1,092
--	--	46,304
3,969	2,732	6,701
--	--	8,323
--	28,988	88,052
<u>4,410</u>	<u>60,485</u>	<u>1,036,027</u>
(3,152)	(60,485)	(63,637)
<u>(3,152)</u>	<u>(60,485)</u>	<u>(63,637)</u>
16,493	334,120	350,613
--	16,089	16,089
16,493	350,209	366,702
<u>\$ 13,341</u>	<u>\$ 289,724</u>	<u>\$ 303,065</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.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2021

Year Ended August 31	1		2		3
	Tax Rates				Assessed/Appraised Value For School Tax Purposes
	Maintenance	Various	Debt Service	Various	
2012 and Prior Years	\$	Various	\$	Various	\$ Various
2013		1.04		.2542	229,230,932
2014		1.04		.2235	237,819,673
2015		1.04		.2398	243,039,093
2016		1.04		.2411	229,085,900
2017		1.04		.2826	204,761,528
2018		1.04		.268	214,240,148
2019		1.04		.268	223,994,366
2020		.97		.1523	249,991,805
2021 (School Year Under Audit)		.9664		.157	367,437,578
1000 Totals					
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code					
					\$ 253,167,978
					114,269,600
					<u>\$ 367,437,578</u>

** 2021 Appraised Value-All
2021 Appraised Value-Debt Service Only

10 Beginning Balance 9/1/20	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/21
\$ 604,373	\$ --	\$ 4,452	\$ 114	\$ (38,607)	\$ 561,200
58,875	--	918	224	(157)	57,576
134,702	--	1,827	393	(152)	132,330
124,396	--	(3,964)	(914)	(9,251)	120,023
151,464	--	(1,804)	(418)	(7,704)	145,982
151,164	--	3,702	1,006	(2,110)	144,346
164,383	--	20,964	5,402	(10,706)	127,311
157,257	--	13,524	3,393	(2,377)	137,963
156,603	--	37,565	5,898	(738)	112,402
--	2,976,435	2,243,167	543,825	(34,943)	154,500
<u>\$ 1,703,217</u>	<u>\$ 2,976,435</u>	<u>\$ 2,320,351</u>	<u>\$ 558,923</u>	<u>\$ (106,745)</u>	<u>\$ 1,693,633</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**

BENAVIDES INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT J-2

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 538,893	\$ 540,393	\$ 573,877	\$ 33,484		
5800	State Program Revenues	--	--	1,946	1,946		
5020	Total Revenues	<u>538,893</u>	<u>540,393</u>	<u>575,823</u>	<u>35,430</u>		
EXPENDITURES:							
Debt Service:							
0071	Principal on Long-Term Debt	20,000	20,000	20,000	--		
0072	Interest on Long-Term Debt	517,383	517,383	517,383	--		
0073	Bond Issuance Costs and Fees	3,000	3,024	3,024	--		
	Total Debt Service	<u>540,383</u>	<u>540,407</u>	<u>540,407</u>	<u>--</u>		
6030	Total Expenditures	<u>540,383</u>	<u>540,407</u>	<u>540,407</u>	<u>--</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	(1,490)	(14)	35,416	35,430		
1200	Net Change in Fund Balance	<u>(1,490)</u>	<u>(14)</u>	<u>35,416</u>	<u>35,430</u>		
0100	Fund Balance - Beginning	117,831	117,831	117,831	--		
3000	Fund Balance - Ending	<u>\$ 116,341</u>	<u>\$ 117,817</u>	<u>\$ 153,247</u>	<u>\$ 35,430</u>		



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GOWLAND, STREALLY, MORALES & COMPANY, PLLC
Certified Public Accountants

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
Benavides Independent School District
P.O. Drawer P
Benavides, Texas 78341-0916

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benavides Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Benavides Independent School District's basic financial statements, and have issued our report thereon dated January 17, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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.

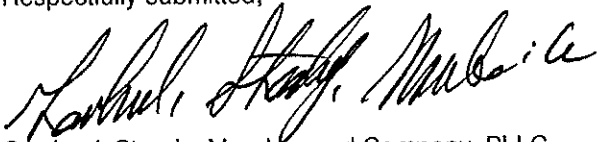
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Gowland, Streatly, Morales, and Company, PLLC

Corpus Christi, Texas
January 17, 2022



5934 S. Staples St. Ste. 201
Corpus Christi, TX 78413
Telephone: (361) 993-1000
Fax: (361) 991-2880

GOWLAND, STREALLY, MORALES & COMPANY, PLLC
Certified Public Accountants

Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Benavides Independent School District
P.O. Drawer P
Benavides, Texas 78341-0916

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

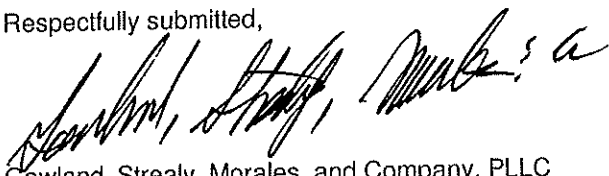
Management of the Benavides Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Benavides Independent School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

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

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

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

Respectfully submitted,



Gowland, Streaty, Morales, and Company, PLLC

Corpus Christi, Texas
January 17, 2022

BENAVIDES INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2021

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

2. Federal Awards

Internal control over major programs:

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

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

Version of compliance supplement used in audit: August 2021

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	School Action Fund

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BENAVIDES INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2021

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There were no findings or questioned costs in the prior year.		

BENAVIDES INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2021

There are no findings or questioned costs in the current year.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT K-1

(1)	(2)	(2A)	(3)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
School Breakfast Program	10.553	71402101	\$	\$ 55,411
Commodity Supplemental Food Program	10.555	066-901	--	1,440
Commodity Supplemental Food Program (Non-cash)	10.555	066-901	--	17,545
National School Lunch Program	10.555	71302101		101,480
Total CFDA Number 10.555			--	120,465
Total Passed Through State Department of Education			--	175,876
Total U. S. Department of Agriculture			--	175,876
Total Child Nutrition Cluster			--	175,876
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
IDEA-Part B, Formula	84.027	2166000106690	--	57,144
IDEA-Part B, Preschool	84.173	2166100106690	--	3,343
Total Passed Through State Department of Education			--	60,487
Total U. S. Department of Education			--	60,487
Total Special Education (IDEA) Cluster			--	60,487
OTHER PROGRAMS:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
CARES Act Coronavirus Relief Act (CRF) - ESSER	21.019	066-901	--	--
School Action Fund	84.010A	1961014771100	--	263,686
School Action Fund	84.010A	1961014771100	--	1,188,540
ESEA Title I Part A - Improving Basic Programs	84.010a	2061014106690	--	68,246
ESEA Title I Part A - Improving Basic Programs	84.010a	2161014106690	--	147,796
Total CFDA Number 84.010a			--	1,668,268
Career and Technical Education - Basic Grant	84.048	2039220171100	--	65,413
ESEA, Title VI, Part B, Subpart 2-Rural and Low Income School Gra	84.358a	2069600106690	--	5,443
ESEA, Title V, Part B, Subpart 2-Rural and Low Income School Grar	84.358a	2169600106690	--	275
Total CFDA Number 84.358a			--	5,718
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367a	2069450106690	--	10,816
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367a	2169450106690	--	16,654
Total CFDA Number 84.367a			--	27,470
Loan Star Stem	84.411B	2039290271100	--	3,484
Title IV, Part A, Subpart 1	84.424A	2068010106690	--	6,054
Coronavirus Aid, Relief, and Economic Security (CARES) Act - ESS	84.425d	2052100106690	--	150,936
Total Passed Through State Department of Education			--	1,927,343
Total U. S. Department of Education			--	1,927,343
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$	\$ 2,163,706
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 2,163,706
School Health and Related Services (SHARS)				37,404
TOTAL EXHIBIT C-2				\$ 2,201,110

The accompanying notes are an integral part of this schedule.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Benavides Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Benavides Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

BENAVIDES INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2021

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