COLDSPRING-OAKHURST
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For The Year Ended August 31, 2021

COLDSPRING-OAKHURST CONSOLIDATED ISD

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CERTIFICATE OF BOARD

Coldspring-Oakhurst Consolidated ISD	San Jacinto	204-901
Name of School District	County	Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2021, at a meeting of the board of trustees of such school district on February 3, 2022.

President of the Board

Vice President of the Board

FINANCIAL SECTION

whitleypenn

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Coldspring-Oakhurst Consolidated ISD
Coldspring, TX

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coldspring-Oakhurst Consolidated 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 Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison schedule, required pension system information, and the required other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and required Texas Education Agency ("TEA") schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget ("OMB"); *Title 2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, required TEA schedules, and the schedule of expenditures of federal awards, as listed in the table of contents, 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, required TEA schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
January 25, 2022

This section of the Coldspring-Oakhurst CISD's annual financial report presents the administration's discussion and analysis of the District's financial performance during the fiscal period ended August 31, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by $7,072,200. Of this amount, $11,658,519 was net investment in capital assets, which represents the carrying value of the capital assets which exceed the debt related to the capital assets and $372,225 was restricted for debt service. The remaining amount was a deficit unrestricted net position of $4,958,544

- The District's total net position decreased by $618,745 due to increases in pension and other post-employment benefit expenses. The total of these amounts increased by $957,434 from the prior year.
- The District's governmental funds reported combined ending fund balances of $6,997,762 as of August 31, 2021. Of this amount, $64,175 is non-spendable in the form of prepaid items. Fund balance of $1,197,977 is restricted for (1) debt service in the amount of $171,004 and (2) $1,026,973 for capital acquisitions. Fund balance of $782,325 is committed for (1) Construction repairs, renovations of $500,000, (2) instructional program enhancement of $250,000 and (3) campus activities in the amount of $32,325. The remaining amount in fund balance of $4,953,285 in the general fund is classified as unassigned and is available for spending at the District's discretion. This is an increase of $499,642 as compared to the prior fiscal year. The unassigned fund balance represents 27 percent of total general fund expenditures.
- The District's total bonded debt decreased by $760,658, or 4.0 percent during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues *(governmental activities)*. The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, and Other Intergovernmental Charges, as applicable.

The government-wide financial statements can be found as noted in the table of contents of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds for general, special revenue, debt service, and capital projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and national school breakfast and lunch program (child nutrition) special revenue fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required

supplementary information. The Required Supplementary Information also includes information related to the required pension system information and the required other post-employment benefit system information.

Other Information

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $7,072,200 at the close of the most recent fiscal year.

A portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	
	2021	**2020**
Current assets	$ 11,788,210	$ 15,070,090
Capital assets	29,245,177	28,899,172
Total Assets	41,033,387	43,969,262
Deferred outflows	3,584,849	3,856,671
Total Deferred Outflows of Resources	3,584,849	3,856,671
Current liabilities	1,523,598	3,171,213
Noncurrent liabilities	30,079,267	32,242,864
Total Liabilities	31,602,865	35,414,077
Deferred inflows	5,943,171	4,720,911
Total Deferred Inflows of Resources	5,943,171	4,720,911
Net Position:		
Net investment in capital assets	11,658,519	12,035,157
Restricted	372,225	296,353
Unrestricted	(4,958,544)	(4,640,565)
Total Net Position	$ 7,072,200	$ 7,690,945

Net position in the governmental activities are restricted for various purposes as follows:

	Governmental Activities	
	2021	**2020**
Federal and state programs	$ -	$ 19,645
Debt Service	372,225	276,708
	$ 372,225	$ 296,353

The remaining balance of net position in the governmental activities consists of an unrestricted net deficit of $4,958,544. At the end of the current fiscal year, the District reports positive balances in net investment in capital assets, which is reported net of outstanding related debt, and restricted net position in the governmental activities. The District's net position of the

governmental activities decreased by $618,745 during the current fiscal year due to an increase in pension and other-post employment benefit expenses.

	Governmental Activities	
	2021	**2020**
Program Revenues		
Charges for services	$ 178,987	$ 51,424
Operating grants	3,851,080	3,982,585
Capital Grants		
General Revenues		
Property taxes	15,406,750	15,400,083
State Aid - Formula Grants	2,606,558	2,420,332
Interest earnings	15,204	202,318
Total Revenues	22,058,579	22,056,742
Expenses		
Instruction	11,281,405	10,916,641
Instructional resources and media services	531,430	617,261
Curriculum and staff development	262,231	285,474
Instructional leadership	289,909	311,425
School leadership	1,030,817	1,063,701
Guidance, counseling, and evaluation services	603,070	513,630
Health services	264,956	222,423
Student transportation	1,313,339	1,275,229
Food service	1,252,328	1,298,400
Extracurricular activities	787,228	798,037
General administration	960,103	745,940
Plant, maintenance and operations	2,141,856	2,084,696
Security and monitoring services	486,519	385,872
Data processing services	199,969	180,557
Community services	84,273	75,645
Interest on long-term debt	602,283	631,869
Debt issuance costs and fees	600	600
Facilities repairs	49,046	485,384
Other intergovernmental charges	535,962	533,906
Total Expenses	22,677,324	22,426,690
Increase (Decrease) in Net Position	(618,745)	(369,948)
Beginning net position	7,690,945	8,060,893
Ending Net Position	$ 7,072,200	$ 7,690,945

Governmental Activities

Governmental activities decreased the District's net position by $618,745. Revenues are generated primarily from three sources. Property taxes, state-aid formula grants, and operating grants and contributions represent 99 percent of total revenues. The remaining 1 percent is generated from charges for services, investment earnings, and miscellaneous revenues.

	Total Revenues	% of Total Revenues
Property taxes	$ 15,406,750	70%
State Aid - Formula Grants	2,606,558	12%
Operating grants and contributions	3,851,080	17%
Other revenue	194,191	1%
Total Revenues	$ 22,058,579	100%

The primary functional expense of the District is instruction, which represents 50 percent of total expenses. Plant maintenance and operations, student transportation, and food service represent 9 percent, 6 percent, and 6 percent, respectively, of the total expenses. The remaining individual functional categories of expenses are each less than 5 percent of total expenses.

	Total Expenses	% of Total Expenses
Instruction	$ 11,281,405	50%
Plant maintenance and operations	2,141,856	9%
Student transportation	1,313,339	6%
Food service	1,252,328	6%
Other expenses	6,688,396	29%
Total Expenses	$ 22,677,324	100%

Governmental Funds Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $6,997,762, a decrease of $1,777,287 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $4,953,285 while total fund balance reached $5,767,460. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27 percent of expenditures and total fund balance represents 32 percent of the same amount.

During the current fiscal year, the total fund balance of the District's general fund decreased by $242,906 while total general fund expenditures showed an increase of $722,781. The increase in expenditures was primarily due to new personnel costs.

The capital projects fund ended the year with a total fund balance of $1,026,973 all of which is restricted for capital acquisition program and contractual obligations. The net decrease in the capital project fund balance during the current year of $1,580,449 was due to the ongoing construction efforts at the District's campuses.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund are summarized as follows:

	Budget	
	Original	Final Amended
Total revenues	$ 17,881,422	$ 18,028,470
Total expenditures	17,967,954	18,347,829
Other financing sources (uses)	-	(278,501)
Net changes in fund balance	$ (86,532)	$ (597,860)

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2021, includes land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. The investment in capital assets (capital outlays) during the current year amounted to $1,705,482. The following table summarizes the investment in capital assets as of August 31, 2021 and 2020.

	August 31, 2021	August 31, 2020
Land	$ 586,383	$ 586,383
Construction in progress	598,740	7,930,645
Buildings and improvements	42,752,851	33,903,868
Furniture and equipment	1,939,259	1,910,982
Vehicles	3,523,038	3,472,247
Total	49,400,271	47,804,125
Less accumulated depreciation for:		
Buildings and improvements	(15,972,939)	(14,962,468)
Furniture and equipment	(1,630,233)	(1,535,912)
Vehicles	(2,551,922)	(2,406,573)
Total accumulated depreciation	(20,155,094)	(18,904,953)
Net capital assets	$ 29,245,177	$ 28,899,172

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Liabilities

At the end of the current fiscal year, the District had $18,190,389 in bonded debt outstanding net of premiums, a decrease of $760,658 over the previous year. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program. The underlying rating of the bonds from Standard and Poor's is "AA" and from Moody's Investors Service is "Aa3" for unlimited tax debt.

Changes in long-term liabilities, for the year ended August 31, 2021, are as follows:

	August 31, 2021	August 31, 2020
General obligation bonds	$ 17,605,000	$ 18,330,000
Bond premiums/discounts	585,389	621,047
	$ 18,190,389	$ 18,951,047

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Indicators, both financial and non-financial, that will impact the District in the immediate future are:

- Current enrollment totals 1,587 students, which is a 3.52% increase from the prior year.
- District staff totals 301 employees, which includes 114 teachers and 32 teachers' aides and secretaries.
- The District maintains 4 campuses for instruction.
- The unemployment rate for the County is currently 6.3 percent, which is a decrease from a rate of 9.3 percent a year ago. This compares unfavorably to the state's average unemployment rate of 4.8 percent, which is a decrease from a rate of 6.9 percent a year ago.
- Property values of the District are projected to increase 10.32 percent.
- A maintenance and operations tax rate of $0.8710 and an interest and sinking tax rate of $0.0765 was adopted for 2021-2022.

All of these factors were considered in preparing the District's budget for the 2022 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Coldspring-Oakhurst Consolidated Independent School District, 125 FM 1514, Coldspring, Texas 77331.

BASIC FINANCIAL STATEMENTS

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit A-1*

STATEMENT OF NET POSITION

August 31, 2021

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 7,723,588
1225	Property taxes receivables, net	3,295,213
1240	Due from other governments	678,570
1300	Inventories	26,664
1410	Prepaid items	64,175
	Capital assets not subject to depreciation:	
1510	Land	586,383
1580	Construction in progress	598,740
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	26,779,912
1530	Furniture and equipment, net	309,026
1531	Vehicles	971,116
1000	**Total Assets**	41,033,387
	Deferred Outflows of Resources	
	Deferred charge on refunding	4,001
	Deferred outflows - pension	2,034,115
	Deferred outflows - OPEB	1,546,733
1700	**Total Deferred Outflows of Resources**	3,584,849
	Liabilities	
2110	Accounts payable	347,082
2140	Interest payable	28,363
2150	Payroll deductions and withholdings	72,361
2160	Accrued wages payable	709,304
2180	Due to other governments	2,331
2200	Accrued expenses	21,075
2300	Unearned revenue	343,082
	Noncurrent Liabilities:	
2501	Due within one year	854,541
2502	Due in more than one year	17,832,825
2540	Net pension liability	5,141,089
2545	Net OPEB liability	6,250,812
2000	**Total Liabilities**	31,602,865
	Deferred Inflows of Resources	
	Deferred inflows - pension	945,564
	Deferred inflows - OPEB	4,997,607
2600	**Total Deferred Inflows of Resources**	5,943,171
	Net Position	
3200	Net investment in capital assets	11,658,519
	Restricted for:	
3850	Debt service	372,225
3900	Unrestricted	(4,958,544)
3000	**Total Net Position**	$ 7,072,200

COLDSPRING-OAKHURST CONSOLIDATED ISD

Exhibit B-1

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2021

Data Control Codes	Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
	Governmental Activities:				
11	Instruction	$ 11,281,405	$ 38,868	$ 1,758,343	$ (9,484,194)
12	Instructional resources and media services	531,430	1,730	80,134	(449,566)
13	Curriculum and staff development	262,231	577	114,254	(147,400)
21	Instructional leadership	289,909	1,153	15,517	(273,239)
23	School leadership	1,030,817	3,460	48,319	(979,038)
31	Guidance, counseling, and evaluation	603,070	1,153	268,041	(333,876)
33	Health services	264,956	577	298,166	33,787
34	Student transportation	1,313,339	4,037	64,049	(1,245,253)
35	Food service	1,252,328	89,545	989,854	(172,929)
36	Extracurricular activities	787,228	26,084	20,965	(740,179)
41	General administration	960,103	2,883	45,845	(911,375)
51	Plant, maintenance and operations	2,141,856	7,190	118,002	(2,016,664)
52	Security and monitoring services	486,519	1,153	12,148	(473,218)
53	Data processing services	199,969	577	3,772	(195,620)
61	Community services	84,273	-	13,671	(70,602)
72	Interest on long-term debt	602,283	-	-	(602,283)
73	Debt issuance costs and fees	600	-	-	(600)
81	Facilities repairs	49,046	-	-	(49,046)
99	Other intergovernmental charges	535,962	-	-	(535,962)
TG	**Total Governmental Activities**	$ 22,677,324	$ 178,987	$ 3,851,080	(18,647,257)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	13,964,905
DT	Property taxes, levied for debt service	1,441,845
SF	State-aid formula grants	2,606,558
IE	Investment earnings	15,204
TR	**Total General Revenues**	18,028,512
CN	Change in net position	(618,745)
NB	**Net Position - Beginning**	7,690,945
NE	**Net Position - Ending**	$ 7,072,200

Data Control Codes		General Fund	Capital Projects Fund
	Assets		
1110	Cash and cash equivalents	$ 6,234,238	$ 1,298,320
	Receivables:		
1220	Property taxes - delinquent	3,549,738	-
1230	Allowance for uncollectible taxes (credit)	(484,109)	-
1240	Receivables from other governments	253,248	-
1260	Due from other funds	394,813	-
1300	Inventories, at cost	-	-
1410	Prepaid items	64,175	-
1000	**Total Assets**	$ 10,012,103	$ 1,298,320
	Liabilities, Deferred Inflows and Fund Balances		
	Liabilities:		
2110	Accounts payable	$ 89,223	$ 255,273
2150	Payroll withholdings payable	72,361	-
2160	Accrued wages payable	645,397	-
2170	Due to other funds	18,515	16,074
2180	Payable to other governments	2,331	-
2200	Accrued expenditure	14,405	-
2300	Unearned revenue	336,782	-
2000	**Total Liabilities**	1,179,014	271,347
	Deferred Inflows of Resources		
2600	Deferred inflows - property taxes	3,065,629	-
	Total Deferred Inflows of Resources	3,065,629	-
	Fund Balances:		
	Nonspendable:		
3430	Prepaid items	64,175	-
	Restricted:		
3470	Capital acquisitions	-	1,026,973
3480	Debt service	-	-
	Committed:		
3510	Construction repairs, renovations	500,000	-
3530	Instructional program enhancement	250,000	-
3545	Campus Activity	-	-
3600	**Unassigned**	4,953,285	-
3000	**Total Fund Balances**	5,767,460	1,026,973
4000			
	Total Liabilities, Deferred Inflows and Fund Balances	$ 10,012,103	$ 1,298,320

Data Control Codes		Total Nonmajor Governmental Funds	Total Governmental Funds
	Assets		
1110	Cash and cash equivalents	$ 191,030	$ 7,723,588
	Receivables:		
1220	Property taxes - delinquent	254,129	3,803,867
1230	Allowance for uncollectible taxes (credit)	(24,545)	(508,654)
1240	Receivables from other governments	425,322	678,570
1260	Due from other funds	26,112	420,925
1300	Inventories, at cost	26,664	26,664
1410	Prepaid items	-	64,175
1000	**Total Assets**	$ 898,712	$ 12,209,135
	Liabilities, Deferred Inflows and Fund Balances		
	Liabilities:		
2110	Accounts payable	$ 2,586	$ 347,082
2150	Payroll withholdings payable	-	72,361
2160	Accrued wages payable	63,907	709,304
2170	Due to other funds	386,336	420,925
2180	Payable to other governments	-	2,331
2200	Accrued expenditure	6,670	21,075
2300	Unearned revenue	6,300	343,082
2000	**Total Liabilities**	465,799	1,916,160
	Deferred Inflows of Resources		
	Deferred inflows - property taxes	229,584	3,295,213
2600	**Total Deferred Inflows of Resources**	229,584	3,295,213
	Fund Balances:		
	Nonspendable:		
3430	Prepaid items	-	64,175
	Restricted:		
3470	Capital acquisitions	-	1,026,973
3480	Debt service	171,004	171,004
	Committed:		
3510	Construction repairs, renovations	-	500,000
3520	Instructional program enhancement	-	250,000
3545	Campus Activity	32,325	32,325
3600	**Unassigned**	-	4,953,285
3000	**Total Fund Balances**	203,329	6,997,762
4000			
	Total Liabilities, Deferred Inflows and Fund Balances	$ 898,712	$ 12,209,135

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit C-2*

RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION

August 31, 2021

Data Control Codes		
	Total fund balance, governmental funds	$ 6,997,762
	Amounts reported for governmental activities in the statement of net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation, where applicable.	29,245,177
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	3,295,213
3	Deferred charges on refunding	4,001
4	Deferred inflows and outflows related to pension activities	1,088,551
5	Deferred inflows and outflows related to OPEB activities	(3,450,874)
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
6	General obligation bonds	(18,032,243)
7	Premiums on issuance	(585,389)
8	Accrued compensated absences	(40,388)
9	Accrued workers compensation	(29,346)
10	Accrued interest payable	(28,363)
11	Net pension liability	(5,141,089)
12	Net OPEB liability	(6,250,812)
19	**Total net position - governmental activities (see B-1)**	$ 7,072,200

Data Control Codes		General Fund	Capital Projects Fund
	Revenues		
5700	Local, intermediate, and out-of-state	$ 13,947,950	$ 3,723
5800	State program revenues	3,468,957	-
5900	Federal program revenues	528,444	-
5020	**Total Revenues**	17,945,351	3,723
	Expenditures		
	Current:		
0011	Instruction	9,343,382	-
0012	Instruction resources and media services	436,907	-
0013	Curriculum and instructional staff development	148,081	-
0021	Instructional leadership	285,069	-
0023	School leadership	1,000,299	-
0031	Guidance, counseling and evaluation services	383,818	-
0033	Health services	258,992	-
0034	Student transportation	1,216,019	-
0035	Food services	11,375	-
0036	Extracurricular activities	654,639	-
0041	General administration	892,331	-
0051	Facilities maintenance and operations	2,109,922	-
0052	Security and monitoring services	399,863	-
0053	Data processing services	198,853	-
0061	Community services	72,254	-
	Debt service:		
0071	Principal on long-term debt	99,815	-
0072	Interest on long-term debt	14,318	-
0073	Bond issuance costs and fees	-	-
	Capital outlay:		
0081	Facilities acquisition and construction	2,047	1,584,172
	Intergovernmental:		
0099	Other intergovernmental charges	535,962	-
6030	**Total Expenditures**	18,063,946	1,584,172
1100	Excess (deficiency) of revenues	(118,595)	(1,580,449)
	Other Financing Sources (Uses)		
7915	Transfers in	-	-
8911	Transfers out	(124,311)	-
7080	**Total other financing sources (uses)**	(124,311)	-
1200	Net change in fund balances	(242,906)	(1,580,449)
0100	**Fund Balance - September 1 (Beginning)**	6,010,366	2,607,422
3000	**Fund Balance - August 31 (Ending)**	$ 5,767,460	$ 1,026,973

Data Control Codes		Total Nonmajor Governmental Funds	Total Governmental Funds
	Revenues		
5700	Local, intermediate, and out-of-state	$ 1,507,904	$ 15,459,577
5800	State program revenues	62,705	3,531,662
5900	Federal program revenues	2,279,046	2,807,490
5020	**Total Revenues**	3,849,655	21,798,729
	Expenditures		
	Current:		
0011	Instruction	1,056,954	10,400,336
0012	Instruction resources and media services	69,227	506,134
0013	Curriculum and instructional staff development	94,594	242,675
0021	Instructional leadership	-	285,069
0023	School leadership	-	1,000,299
0031	Guidance, counseling and evaluation services	190,333	574,151
0033	Health services	-	258,992
0034	Student transportation	9,950	1,225,969
0035	Food services	1,139,703	1,151,078
0036	Extracurricular activities	4,187	658,826
0041	General administration	-	892,331
0051	Facilities maintenance and operations	-	2,109,922
0052	Security and monitoring services	3,413	403,276
0053	Data processing services	-	198,853
0061	Community services	11,323	83,577
	Debt service:		
0071	Principal on long-term debt	725,000	824,815
0072	Interest on long-term debt	622,614	636,932
0073	Bond issuance costs and fees	600	600
	Capital outlay:		
0081	Facilities acquisition and construction	-	1,586,219
	Intergovernmental:		
0099	Other intergovernmental charges	-	535,962
6030	**Total Expenditures**	3,927,898	23,576,016
1100	Excess (deficiency) of revenues over expenditures	(78,243)	(1,777,287)
	Other Financing Sources (Uses)		
7915	Transfers in	124,311	124,311
8911	Transfers out	-	(124,311)
7080	**Total Other Financing Sources (Uses)**	124,311	-
1200	Net change in fund balances	46,068	(1,777,287)
0100	**Fund Balance - September 1 (Beginning)**	157,261	8,775,049
3000	**Fund Balance - August 31 (Ending)**	$ 203,329	6,997,762

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit C-4*

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

For the Year Ended August 31, 2021

Data Control Codes		
	Net change in fund balances - total governmental funds (from C-3)	$ (1,777,287)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
1	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
	Capitalized expenditures reclassified to assets.	1,705,482
	Depreciation expense taken to Statement of Activities.	(1,359,477)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	141,364
4	Repayment of bond and note principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	824,815
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
7	Decrease in interest payable not recognized in fund statements	1,658
8	Amortization of gain/loss on refunding and premiums/discounts	32,991
9	Increase in long-term portion of accrued compensated absences	(4,975)
10	Decrease in long-term portion of accrued workers compensation	30,505
11	Changes in net pension liabilities and related deferred outflows and inflows of resources	(397,760)
12	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	183,939
13	**Change in net position of governmental activities (see B-1)**	$ (618,745)

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit E-1*

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2021

	Custodial Fund
Assets	
Current Assets:	
Cash and cash equivalents	$ 225,073
Total Assets	$ 225,073
Net Position	
Restricted for student activities	$ 225,073
Total Net Position	$ 225,073

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit E-2*

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2021

	Custodial Fund
Contributions	
Revenues from student activities	$ 172,780
Total Contributions	172,780
Deductions	
Payments for student activities	131,001
Total Deductions	131,001
Change in net position	41,779
Net Position - Beginning	-
Prior Period Adjustment Due to GASB No. 84 Implementation	183,294
Net Position - Ending	$ 225,073

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Coldspring-Oakhurst Consolidated Independent School District (the "District") is governed by a seven- member board of trustees (the Board), which has governance responsibilities over all activities related to public, elementary and secondary, education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. The accompanying financial statements present the District.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District reports the following nonmajor governmental funds:

- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

- The *special revenue funds* are used to account for resources restricted to, or committed for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods. With respect to the campus activity funds, funds are rolled over from year to year for use in the program.

The District also reports the following fiduciary fund:

- The *custodial fund* is used to account for resources held by the District for others. This fund uses the economic resources measurement focus and accrual basis of accounting. The District’s Custodial Fund is the Student Activity Fund.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

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

Note 1 - Summary of Significant Accounting Policies (continued)

Implementation of New Accounting Standards

GASB No. 84 *Fiduciary Activities* was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) 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. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The District has evaluated the effects of this standard and has determined that the District's Student Activity Fund met the criteria to be reported as a custodial fund in the basic financial statements.

GASB No. 90 *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The District has determined that this Statement does not have an effect on the financial statements as of August 31, 2021.

GASB Statement No. 98 *The Annual Comprehensive Financial Report.* This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. Management has evaluated the implementation of this statement and determined that it is not appliable to the District.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of twelve months or less from the date of acquisition. Investments for the District, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants.*

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables and Payables (continued)

Property tax receivables include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes and are shown net of an allowance for uncollectible taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the San Jacinto County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

The tax rates applicable to the maintenance and operation and debt service for fiscal year 2021 were $0.9185 and $0.0951, respectively, based on a taxable value of $1,482,209,539. Uncollected taxes are recorded as unavailable revenue in the fund financial statements net of the related allowance for uncollectible taxes.

Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies used to operate the National School Breakfast and Lunch Program. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment, and vehicles, are reported in the governmental column in the government-wide financial statements. The District's infrastructure includes parking lots and roads associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Buildings and improvements, furniture and equipment, and vehicles of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	In Years
Buildings and improvements	5 - 40
Furniture and equipment	3 - 25
Vehicles	5 -10

Note 1 - Summary of Significant Accounting Policies (continued)

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused leave benefits. The term leave includes state personal days and state sick leave days. Payment for unused leave days accumulated will be made upon retirement (in accordance with guidelines established by the board policy) for all employees. All sick pay is accrued when incurred for employees who are eligible for retirement in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have met the District's requirements and State's retirement eligibility requirements.

The District does not have a liability for unpaid vacation at year-end due to the District's policy does not allow a carryover of vacation days not taken at August 31.

Long-term Obligations

The District's long-term obligations consist of bonded indebtedness, notes payable, workers' compensation, and compensated absences. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for notes payable principal and interest expenditures are accounted for in the general fund. The current requirements for compensated absences and workers compensation are accounted for in the general fund.

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

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

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources (continued)

- *Deferred outflows of resources for pension* - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments, 2) changes in actuarial assumptions, 3) differences between expected and actual actuarial experiences, and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

- *Deferred outflows of resources for other post-employment benefits (OPEB*) - Reported in the governmentwide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on plan investments, 2) changes in actuarial assumptions, 3) differences between expected and actual actuarial experiences, and 4) changes in the District's proportional share of net OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on plan investments will be amortized over a closed five-year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the plan.

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

- *Deferred inflows of resources for unavailable revenues* - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources on the fund financial statements.

- *Deferred inflows of resources for pension* - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments, 2) changes in actuarial assumptions, 3) differences between expected and actual actuarial experiences, and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

- *Deferred inflows of resources for other post-employment benefits (OPEB*) - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions, 2) differences between expected and actual actuarial experiences, and 3) changes in the District's proportional share of net OPEB liabilities. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the plan.

Note 1 - Summary of Significant Accounting Policies (continued)

Pension

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

Other Post-Employment Benefits

The fiduciary net position of the 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.

Fund Balance Classifications

In the fund financial statements, governmental funds report classifications of fund balance based on controls placed upon the funds. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, effective June 30, 2011, fund balance classifications are recorded as follows:

- *Nonspendable fund balance* - amounts that are not in spendable form or are required to be maintained intact. As such, prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

- *Restricted fund balance* - amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

- *Committed fund balance* - amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by board action or the resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation. The District has committed 100 percent of fund 461 campus activity funds' fund balance, $500,000 in the general fund for construction repairs and renovations, and $250,000 in the general fund for instructional program enhancement.

- *Assigned fund balance* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has, by policy, authorized the superintendent or his designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Balance Classifications (continued)

- *Unassigned fund balance* - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Data Control Codes

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

Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be 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. At August 31, 2021, the District's cash in bank totaled $1,167,765 while the carrying value was $819,420. Pledged collateral and FDIC insurance for these deposits totaled $5,490,940. Certificates of deposit requiring collateral at August 31, 2021 totaled $1,567,952. Pledged collateral and FDIC insurance for the certificate of deposit totaled $1,795,787. As such, the District's cash and certificates of deposit were properly collateralized at August 31, 2021.

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, repurchase agreements, or investment pools.

Investments

For fiscal year 2021, the District invested in the State of Texas TexSTAR Investment Pool and the Texas Association of School Boards Lone Star Investment Pool. TexSTAR and Lone Star operate in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

Note 2 - Deposits and Investments

Investments (continued)

Lone Star Investment Pool is restricted to invest in obligations of the United States or its agencies and instrumentalities; other obligations insured by the United States; fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously; and SEC-registered no-load money market mutual funds, the assets which consist exclusively of the obligations described above.

TexSTAR Investment Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered and managed by JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. JP Morgan Chase Bank and/or its subsidiary JP Morgan Investor Services Co. is the custodial bank. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, diversification to avoid unreasonable or avoidable risks, and yield.

At year-end, the District's cash and investments balances and the weighted average maturity of these investments were as follows:

	Carrying Value	Weighted Average Maturity (Days)
Governmental Activities:		
Cash and deposits	$ 620,183	N/A
Certificates of deposit	1,567,952	110
Investments:		
Local Government Investment Pools:		
Lone Star	5,533,861	75
TexSTAR	1,592	50
Total Local Government Investment Pools	5,535,453	75
Total Governmental Activities	7,723,588	
Fiduciary Funds		
Cash and deposits	199,237	N/A
Investments:		
Local Government Investment Pools:		
Lone Star	25,836	75
Total Local Government Investment Pools	25,836	75
Total Fiduciary Funds	225,073	
Total Cash and Investments	$ 7,948,661	

Note 2 - Deposits and Investments

Investments (continued)

Investments' fair value measurement are as follows at August 31, 2021:

		Fair Value Measurements Using		
Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt securities				
Certificates of Deposit	$ 1,567,952	$ 1,567,952	$ -	$ -
Total debt securities	$ 1,567,952	$ 1,567,952	$ -	$ -

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days, and any individual investments not to exceed one year from the time of purchase, unless specifically authorized by the Board of Trustees.

		Investment Maturity in Years	
	Carrying Value	Less than 1	1-5
Certificates of Deposit	$ 1,567,952	$ 1,567,952	$ -
Local Government Investment Pools:			
Lone Star	5,559,697	5,559,697	-
TexSTAR	1,592	1,592	-
	$ 7,129,241	$ 7,129,241	$ -

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The District's investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

As of August 31, 2021, the District's portfolio consisted of the following:

Investment Type	Carrying Value	Percentage of Portfolio	Rating	Rating Agency
Certificates of Deposit	$ 1,567,952	21.99%	N/A	N/A
Lone Star	5,559,697	77.98%	AAAm	Standard and Poor's
TexSTAR	1,592	0.02%	AAAm	Standard and Poor's
	$ 7,129,241	100.00%		

The District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.* In addition, the investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The four pools do not impose any liquidity fees or redemption gates.

Note 3 - Receivables and Unearned Revenues

Receivables as of year-end for the District's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Governmental Funds	Total
Governmental activities			
Property taxes	$ 3,549,738	$ 254,129	$ 3,803,867
Due from other governments	253,248	425,322	678,570
Gross receivables	3,802,986	679,451	4,482,437
Less: Allowance for doubtful accounts	(484,109)	(24,545)	(508,654)
Net total governmental activities	$ 3,318,877	$ 654,906	$ 3,973,783

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the District reported unearned revenues for advanced collection of fees in the amount of $343,082.

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll and other regularly occurring charges that are primarily paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund receivable/payable balances as of August 31, 2021, is as follows*:*

	Receivable Fund		
Payable Fund	**General Fund**	**Nonmajor Governmental Funds**	**Totals**
Governmental funds			
General fund	$ -	$ 18,515	$ 18,515
Capital Projects Fund	16,074	-	16,074
Nonmajor governmental funds	378,739	7,597	386,336
Total governmental funds	$ 394,813	$ 26,112	$ 420,925

Note 4 - Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers are defined as "flows of assets from one fund to another fund without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund to finance various programs accounted for in other funds. The following is a summary of the District's transfers for the fiscal year ended August 31, 2021:

	Transfers In	
Transfers Out	**Nonmajor Governmental Funds**	**Totals**
Governmental funds		
General fund	$ 124,311	$ 124,311
Total governmental funds	$ 124,311	$ 124,311

Transfers between the general fund and nonmajor funds are to cover the excess expenditures in the national school breakfast and lunch fund.

Note 5 - Capital Assets

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

	Balance September 01, 2020	Additions	(Retirements)	Transfers	Balance August 31, 2021
Capital assets, not being depreciated					
Land	$ 586,383	$ -	$ -	$ -	$ 586,383
Construction in progress	7,930,645	1,537,173	-	(8,869,078)	598,740
Total Capital assets, not being depreciated	8,517,028	1,537,173	-	(8,869,078)	1,185,123
Capital assets, being depreciated					
Buildings and improvements	33,903,868	-	(9,400)	8,858,383	42,752,851
Furniture and equipment	1,910,982	62,436	(44,854)	10,695	1,939,259
Vehicles	3,472,247	105,873	(55,082)	-	3,523,038
Total Capital assets, being depreciated	39,287,097	168,309	(109,336)	8,869,078	48,215,148
Less accumulated depreciation for:					
Buildings and improvements	(14,962,468)	(1,019,871)	9,400	-	(15,972,939)
Furniture and Equipment	(1,535,912)	(139,175)	44,854	-	(1,630,233)
Vehicles	(2,406,573)	(200,431)	55,082	-	(2,551,922)
Total Accumulated depreciation	(18,904,953)	(1,359,477)	109,336	-	(20,155,094)
Governmental Capital Assets	$ 28,899,172	$ 346,005	$ -	$ -	$ 29,245,177

Note 5 - Capital Assets (continued)

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

Function	Depreciation Expense
Instruction	$ 719,868
Instructional resources and media services	22,045
Curriculum and staff development	13,164
School leadership	15,580
Guidance, counseling and evaluation services	3,329
Health services	1,575
Student transportation	176,710
Food Services	79,378
Extracurricular activities	141,845
General administration	53,231
Plant maintenance and operations	43,712
Security and monitoring services	89,040
	$ 1,359,477

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
Stadium Restrooms	$ 294,132	$ 74,216	$ 219,916
Green House	77,935	26,355	51,580
Painting all facilities	360,859	339,444	21,415
Tennis Courts	235,475	158,725	76,750
	$ 968,401	$ 598,740	$ 369,661

Note 6 - Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, notes payable, workers compensation, and compensated absences. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Note 6 - Long-term Liabilities (continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2021, was as follows:

	Balance September 01, 2020	Additions	Retirements	Balance August 31, 2021	Due Within One Year
General obligation bonds	$ 18,330,000	$ -	$ (725,000)	$ 17,605,000	$ 745,000
Premiums/discounts	621,047	-	(35,658)	585,389	-
Total Bonds Payable	18,951,047	-	(760,658)	18,190,389	745,000
Notes Payable	527,058	-	(99,815)	427,243	102,538
Workers Compensation	59,851	3,702	(34,207)	29,346	4,011
Compensated absences	35,413	11,300	(6,325)	40,388	2,992
Total Long-term Liabilities	$ 19,573,369	$ 15,002	$ (901,005)	$ 18,687,366	$ 854,541

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings and to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as current interest bonds with various amounts of principal maturing each year.

General obligation bonds currently outstanding are as follows:

Issue	Original Issuance Amount	Interest Rate (%)	Maturity Date	Debt Outstanding
Unlimited Tax refunding Bonds Series 2017	$ 1,290,000	2.100%	2/15/2023	$ 390,000
Unlimited Tax refunding Bonds Series 2018	18,405,000	3.000%	2/15/2038	17,215,000
				$ 17,605,000

Debt service requirements to maturity are as follows:

Year Ending August 31,	Principal	Interest	Totals
2022	$ 745,000	$ 592,875	$ 1,337,875
2023	775,000	560,625	1,335,625
2024	805,000	524,025	1,329,025
2025	835,000	483,025	1,318,025
2026	870,000	440,400	1,310,400
2027 - 2031	4,910,000	1,688,050	6,598,050
2032 - 2036	5,960,000	865,050	6,825,050
2037 - 2041	2,705,000	81,975	2,786,975
	$ 17,605,000	$ 5,236,025	$ 22,841,025

Note 6 - Long-term Liabilities (continued)

Refunding of Long-Term Debt

In prior years, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the District's financial statements. At August 31, 2021, the District had no outstanding bonds that are considered defeased.

Notes Payable

In July 2015, the District issued $1,000,000 a maintenance tax note, series 2015. The proceeds were used to provide funds for the construction and equipment of school facilities.

Notes payable currently outstanding are as follows:

Issue	Original issuance amount	Interest Rate (%)	Maturity Date	Debt Outstanding
Maintenance Tax Note, Series 2015	$ 1,000,000	2.728%	2/1/2025	$ 427,243
				$ 427,243

Debt service requirements to maturity are as follows:

Year Ending August 31,	Principal	Interest	Totals
2022	$ 102,538	$ 11,655	$ 114,193
2023	105,335	8,858	114,193
2024	108,209	5,984	114,193
2025	111,161	3,032	114,193
	$ 427,243	$ 29,529	$ 456,772

Note 7 - Fund Balance

Committed Fund Balance

The committed fund balance in the governmental funds consists of the following:

	General Fund	Campus Activity Fund
Committed Fund Balances		
Construction repairs, renovations	$ 500,000	$ -
Instructional program enhancement	250,000	-
Campus activities	-	32,325
Total Committed Fund Balances	$ 750,000	$ 32,325

Note 8 - Revenues from Local and Intermediate Sources

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	$ 13,544,066	$ -	$ 1,391,795	$ 14,935,861
Penalties, interest and other tax related revenue	303,434	-	26,091	329,525
Tuition and fees	7,727	-	-	7,727
Investment Income	11,008	3,723	473	15,204
Gifts and bequests	14,200	-	-	14,200
Insurance proceeds	270	-	-	270
Co-curricular student activities	23,777	-	89,483	113,260
Other	43,468	-	62	43,530
	$ 13,947,950	$ 3,723	$ 1,507,904	$ 15,459,577

Note 9 - Operating Leases

Commitments under operating lease (non-capitalized) agreements for facilities and equipment are subject to fiscal funding clauses. As such, the agreements are cancelable and the District is therefore not obligated for minimum future rental payments as of August 31, 2021. The imputed interest on the leases is not readily determinable.

Rental expenditures for the year ended August 31, 2021 amounted to $1,244

Note 10 - Pension Plan and Other Post-Employment Benefits

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

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 postemployment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

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

Contributions

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

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

Contributions (continued)

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

	Contribution Rates	
	2021	2020
Member (Employee)	7.70%	7.70%
Non-employer contributing agency (State)	7.50%	7.50%
District	7.50%	7.50%

	Fiscal Year 2021
District Contributions	$ 438,585
Employee Contributions	906,828
Non-employer Contributing Entity (State)	670,586

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

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

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

In addition to the employer contributions listed above, there 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.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

Actuarial Assumptions

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

Component	Result
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 Rate	7.25%
Municipal Bond Rate as of August 2019	2.33%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
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. These assumptions are further described the 2020 TRS ACFR, which includes actuarial valuation report dated November 14, 2019.

Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of 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 projected future benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

Discount Rate (continued)

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:

Asset Class	Target Allocation[1]	Long-Term Expected Arithmetic Real Rate of Return[2]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Inf	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
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[3]			-0.67%
Expected Return	100.00%		7.23%

[1] Target allocations are based on the FY2020 policy model.

[2] Capital Market Assumptions come from Aon Hewitt as of August 31, 2020.

[3] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	6.25%	7.25%	8.25%
District's proportional share of the net pension liability	$ 7,927,467	$ 5,141,089	$ 2,877,218

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

At August 31, 2021, the District reported a liability of $5,141,089 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 5,141,089
State's proportionate share that is associated with the District	8,668,197
Total	$ 13,809,286

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

At August 31, 2020, the District's proportion of the collective net pension liability was 0.0096% which was a decrease of 0.0004% from its proportion measured as of August 31, 2019.

All future statutorily required contributions will be made from the General Fund.

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 $825,394. The District also recognized an additional on-behalf revenue and expense of $1,042,592 representing for support provided by the State.

Note 10 - Pension Plan and Other Post-Employment Benefits (continued)

Changes Since the Prior Actuarial Valuation (continued)

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 pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,387	$ (143,474)
Changes in assumptions	1,192,916	(507,219)
Net difference between projected and actual earnings on pension plan investments	104,077	-
Changes in proportion and differences between District contributions and proportionate share of contributions	288,877	(294,871)
District contributions subsequent to the measurement date	438,858	-
Total	$ 2,034,115	$ (945,564)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of $438,858 will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. 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	$ 217,154
2023	250,157
2024	239,506
2025	43,771
2026	(90,645)
Thereafter	(10,250)
	$ 649,693

Note 11 - Defined Other Post-Employment Benefit Plans

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position

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, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. 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 for Retirees

	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 135	$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions

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

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

Contributions (continued)

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 .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.

	Contribution Rates	
	2021	2020
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	Fiscal Year 2021
District Contributions	135,374
Employee Contributions	76,550
Non-employer Contributing Entity (State)	53,187

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

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

Actuarial Assumptions

The 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 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: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Expected Payroll Growth.

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

Actuarial Assumptions (continued)

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:

Component	Result
Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65, 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Salary Increases	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

Discount Rate

A single discount rate of 2.33 percent was used to measure the Total OPEB Liability. There was a decrease of .30 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease 1.33%	Current Rate 2.33%	1% Increase 3.33%
District's proportionate share of the Net OPEB Liability:	$ 7,500,961	$ 6,250,812	$ 5,263,375

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

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

At August 31, 2021, the District reported a liability of $6,250,812 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$	6,250,812
State's proportionate share that is associated with District		8,399,594
Total	$	14,650,406

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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020, the District's proportion of the collective Net OPEB Liability was 0.0164% which was an increase of 0.0006% from its proportion measured as of August 31, 2019.

All future statutorily required contributions will be made from the General Fund.

Healthcare Cost Trend Rates – The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
District's proportionate share of the Net OPEB Liability:	$ 5,106,113	$ 6,250,812	$ 7,775,390

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 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 changed lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

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

For the year ended August 31, 2021, the District recognized negative OPEB expense of $48,526. The District also recognized negative on-behalf expense and revenue of $58,324 for support provided by the State.

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

Changes Since the Prior Actuarial Valuation (continued)

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	$ 327,290	$ (2,860,691)
Changes in actuarial assumptions	385,545	(1,716,505)
Difference between projected and actual investment earnings	2,031	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	696,493	(420,411)
Contributions paid to TRS subsequent to the measurement date	135,374	-
Total	$ 1,546,733	$ (4,997,607)

The $135,374 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2022. 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	$ (604,368)
2023	(604,639)
2024	(604,794)
2025	(604,757)
2026	(437,793)
Thereafter	(729,897)
	$ (3,586,248)

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, 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 years ended August 31, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on-behalf of the District were $53,187, $49,580, and $40,115, respectively. The information for the year ended August 31, 2021 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District participates in the Texas Association of Public Schools Risk Management Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages, and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its liability coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and may provide, through commercial companies, reinsurance contracts. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, 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.

Health Insurance

The District provides medical insurance coverage for its employees under the TRS-Active Care insurance provided by the Teachers' Retirement System of Texas.

Workers' Compensation

During the fiscal year ended August 31, 2021, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of $2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2020, the Fund carries a discounted reserve of $44,135,645 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2021, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

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

Note 12 - Risk Management (continued)

Workers Compensation (continued)

The liability estimation requires the estimate of loss development over an extended period of time. During the self-insurance period of time, numerous internal and external factors will affect the ultimate settlement value of claims. Due to the inherent uncertainty with regard to the impact of these factors, there can be no guarantee that actual losses will not vary, perhaps significantly, from the estimates. There were no significant reductions in insurance coverage from the prior year or settlements exceeding insurance coverage for each of the past three fiscal years. The following is summary of the changes in the balances of claims liabilities for workers' compensation for the fiscal year ended August 31:

	2021	2020
Liability, beginning of period	$ 59,851	$ 18,742
Adjustment to estimated claims incurred	3,702	44,982
Payments on claims	(34,207)	(3,873)
Liability, end of period	$ 29,346	$ 59,851

Note 13 - Contingent Liabilities

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2021, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 14 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it does not have an arbitrage liability as of August 31, 2021.

Note 15 - Prior Period Adjustment

During the current fiscal year, the District implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning net position of the District's custodial fund has been restated as follows:

	Custodial Fund
Net position at August 31, 2020, as previously reported	$ -
Prior period adjustment:	
GASB No. 84 Implementation	183,294
Total prior period adjustments	183,294
Net position at September 1, 2020, as restated	$ 183,294

Note 16 - Subsequent Event

As of September 2, 2021, the Texas Education Agency (TEA) informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed.

Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

LEAs have reported to the TEA that attendance rate declines continue to occur due to COVID-19. As a result, the TEA is exploring options to ensure school systems will not experience significant financial difficulties. Additionally, LEAs had varying daily rates of attendance during the 2020-2021 school year due to the impact of virtual learning options. Once the TEA receives this local information in a PEIMS upload this fall, it will be equipped to analyze, understand, and determine potential changes to the rules around waivers, particularly low attendance waivers. As of the date of this report, the District has not determined the impact.

REQUIRED SUPPLEMENTARY INFORMATION

COLDSPRING-OAKHURST CONSOLIDATED ISD

Exhibit G-1

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

GENERAL FUND

For the Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts			
		Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Revenues				
5700	Local revenues	$ 13,910,134	$ 14,040,134	$ 13,947,950	$ (92,184)
5800	State program revenues	3,636,288	3,653,336	3,468,957	(184,379)
5900	Federal program revenues	335,000	335,000	528,444	193,444
5020	**Total Revenues**	17,881,422	18,028,470	17,945,351	(83,119)
	Expenditures				
	Current:				
0011	Instruction	9,298,258	9,381,258	9,343,382	37,876
0012	Instruction resources and media services	512,522	465,022	436,907	28,115
0013	Curriculum and instructional staff development	176,434	154,434	148,081	6,353
0021	Instructional leadership	280,183	285,683	285,069	614
0023	School leadership	979,196	1,003,996	1,000,299	3,697
0031	Guidance, counseling and evaluation services	345,034	396,534	383,818	12,716
0033	Health services	254,152	266,152	258,992	7,160
0034	Student transportation	1,260,947	1,221,947	1,216,019	5,928
0035	Food services	-	11,375	11,375	-
0036	Extracurricular activities	647,614	683,114	654,639	28,475
0041	General administration	743,288	907,638	892,331	15,307
0051	Facilities maintenance and operations	2,147,944	2,140,544	2,109,922	30,622
0052	Security and monitoring services	403,666	403,166	399,863	3,303
0053	Data processing services	184,868	200,368	198,853	1,515
0061	Community services	71,660	72,310	72,254	56
	Debt Service:				
0071	Principal on long-term debt	100,212	100,212	99,815	397
0072	Interest on long-term debt	14,318	14,318	14,318	-
	Capital outlay:				
0081	Facilities, acquisition and construction	-	2,100	2,047	53
	Intergovernmental:				
0091	Contracted instructional services	-	90,000	-	90,000
0099	Other intergovernmental charges	547,658	547,658	535,962	11,696
6030	**Total Expenditures**	17,967,954	18,347,829	18,063,946	283,883
1100	Excess (deficiency) of revenues over expenditures	(86,532)	(319,359)	(118,595)	200,764
	Other Financing Sources (Uses)				
8911	Transfers out	-	(278,501)	(124,311)	154,190
7080	**Total Other Financing Sources (Uses)**	-	(278,501)	(124,311)	154,190
1200	Net change in fund balances	(86,532)	(597,860)	(242,906)	354,954
0100	**Fund Balances - Beginning**	6,010,366	6,010,366	6,010,366	-
3000	**Fund Balances - Ending**	$ 5,923,834	$ 5,412,506	$ 5,767,460	$ 354,954

Note 1 - Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the Child Nutrition special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end.

For the fiscal year ending August 31, 2021, the District did not have any expenditures exceeding appropriations.

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit G-2*

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

TEACHER RETIREMENT SYSTEM OF TEXAS

Last Seven Measurement Years Ended August 31

	2020	2019	2018	2017
District's proportion of the net pension liability	0.0096%	0.0100%	0.0105%	0.0099%
District's proportionate share of the net pension liability	$ 5,141,089	$ 5,219,223	$ 5,787,617	$ 3,179,104
State's proportionate share of the net pension liability associated with the District	8,668,197	7,827,109	8,413,837	5,240,504
Total	$ 13,809,286	$ 13,046,332	$ 14,201,454	$ 8,419,608
District's covered payroll (for Measurement Year)	$ 11,442,124	$ 10,617,826	$ 10,300,313	$ 10,268,612
District's proportionate share of the net pension liability as a percentage of covered payroll	44.9%	49.2%	56.2%	31.0%
Plan's fiduciary net position as a percentage of the total pension liability *	75.54%	75.24%	73.74%	82.17%
Plan's net pension liability as a percentage of covered payroll *	110.36%	114.93%	126.11%	75.93%

	2016	2015	2014
District's proportion of the net pension liability	0.0096%	0.0102%	0.0065%
District's proportionate share of the net pension liability	$ 3,624,066	$ 3,603,443	$ 1,725,021
State's proportionate share of the net pension liability associated with the District	6,252,862	6,406,183	5,660,518
Total	$ 9,876,928	$ 10,009,626	$ 7,385,539
District's covered payroll (for Measurement Year)	$ 10,007,018	$ 10,141,766	$ 10,013,984
District's proportionate share of the net pension liability as a percentage of covered payroll	36.2%	35.5%	17.2%
Plan's fiduciary net position as a percentage of the total pension liability *	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	92.75%	91.94%	72.89%

The amounts presented are for each Plan year which ends the preceding August 31 of the District's fiscal year.

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2014.
Net Pension Liability and related ratios will be presented prospectively as data becomes available

* Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report.

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit G-3*

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Seven Fiscal Years Ended August 31

	2021	2020	2019	2018
Contractually required contributions	$ 438,858	$ 407,286	$ 350,264	$ 353,336
Contributions in relation to the contractually required contributions	438,858	407,286	350,264	353,336
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,776,991	$ 11,442,124	$ 10,617,826	$ 10,300,313
Contributions as a percentage of covered payroll	3.73%	3.56%	3.30%	3.43%

	2017	2016	2015
Contractually required contributions	$ 325,863	$ 304,711	$ 301,850
Contributions in relation to the contractually required contributions	325,863	304,711	301,850
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 10,268,612	$ 10,007,018	$ 10,141,766
Contributions as a percentage of covered payroll	3.17%	3.04%	2.98%

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2015.

Changes of Assumptions

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

Changes in Benefit Terms

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

Other Information

Effective September 1, 2014, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit G-4*

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

TEACHER RETIREMENT SYSTEM OF TEXAS

Last Four Measurement Years Ended August 31

	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0164%	0.0158%	0.0166%	0.0159%
District's proportionate share of the net OPEB liability	$ 6,250,812	$ 7,450,272	$ 8,299,297	$ 6,899,318
State's proportionate share of the net OPEB liability associated with the District	8,399,594	9,899,747	8,731,093	7,936,330
Total	$ 14,650,406	$ 17,350,019	$ 17,030,390	$ 14,835,648
District's covered payroll (for Measurement Year)	$ 11,442,124	$ 10,617,826	$ 10,300,313	$ 10,268,612
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	54.6%	70.2%	80.6%	67.2%
Plan fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	101.46%	135.21%	146.64%	132.55%

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2017.
Net OPEB Liability and related ratios will be presented prospectively as data becomes available

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit G-5*

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Five Fiscal Years Ended August 31

	2021	2020	2019
Contractually required contributions	$ 135,374	$ 124,950	$ 111,809
Contributions in relation to the contractually required contributions	135,374	124,950	111,809
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 11,776,991	$ 11,442,124	$ 10,617,826
Contributions as a percentage of covered payroll	1.15%	1.09%	1.05%

	2018	2017
Contractually required contributions	$ 105,154	$ 56,477
Contributions in relation to the contractually required contributions	105,154	56,477
Contribution deficiency (excess)	$ -	$ -
District's covered payroll	$ 10,300,313	$ 10,268,612
Contributions as a percentage of covered payroll	1.02%	0.55%

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2017.

Changes of Assumptions

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

Changes of Benefit Terms

There were no changes in benefit terms since the prior measurement date. TRS created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.

OTHER SUPPLEMENTARY INFORMATION

Data Control Codes		211 ESEA Title I, Part A	224 IDEA-B Formula	225 IDEA-B Preschool	240 Child Nutrition
	Assets				
1110	Cash and cash equivalents	$ -	$ -	$ -	$ 6,216
	Receivables:				
1220	Property taxes - delinquent	-	-	-	-
1230	Allowance for uncollectible taxes (credit)	-	-	-	-
1240	Receivables from other governments	206,430	43,102	-	51,248
1260	Due from other funds	-	582	715	-
1310	Inventories, at cost	-	-	-	26,664
1000	**Total Assets**	$ 206,430	$ 43,684	$ 715	$ 84,128
	Liabilities, Deferred Inflows and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ -	$ -	$ 2,586
2160	Accrued wages payable	20,446	20,845	644	19,063
2170	Due to other funds	184,141	20,516	-	60,356
2200	Accrued expenditures	1,843	2,323	71	2,123
2300	Unearned revenues	-	-	-	-
2000	**Total Liabilities**	206,430	43,684	715	84,128
	Deferred Inflows of Resources				
	Deferred inflows - Property Taxes	-	-	-	-
2600	**Total Deferred Inflows of Resources**	-	-	-	-
	Fund Balances:				
	Nonspendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Debt service	-	-	-	-
3490	Other purposes	-	-	-	-
	Committed:				
3545	Campus Activity	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-
4000	**Total Liabilities, Deferred Inflows and Fund Balances**	$ 206,430	$ 43,684	$ 715	$ 84,128

Data Control Codes		244 Career and Technical Education	255 Title II, Part A	266 CARES Act - ESSER	270 ESSA Title VI, Part B
	Assets				
1110	Cash and cash equivalents	$ -	$ -	$ -	$ -
	Receivables:				
1220	Property taxes - delinquent	-	-	-	-
1230	Allowance for uncollectible taxes (credit)	-	-	-	-
1240	Receivables from other governments	531	8,832	89,687	-
1260	Due from other funds	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	**Total Assets**	$ 531	$ 8,832	$ 89,687	$ -
	Liabilities, Deferred Inflows and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ -	$ -	$ -
2160	Accrued wages payable	-	2,909	-	-
2170	Due to other funds	531	5,613	89,687	-
2200	Accrued expenditures	-	310	-	-
2300	Unearned revenues	-	-	-	-
2000	**Total Liabilities**	531	8,832	89,687	-
	Deferred Inflows of Resources				
	Deferred inflows - Property Taxes	-	-	-	-
2600	**Total Deferred Inflows of Resources**	-	-	-	-
	Fund Balances:				
	Nonspendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Debt service	-	-	-	-
3490	Other purposes	-	-	-	-
	Committed:				
3545	Campus Activity	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-
4000	**Total Liabilities, Deferred Inflows and Fund Balances**	$ 531	$ 8,832	$ 89,687	$ -

Data Control Codes		276 Title I - SIP Academy Grant	282 ESSER III	287 Title IV Part A	385 State Supplemental Visually Impaired
	Assets				
1110	Cash and cash equivalents	$ -	$ -	$ -	$ -
	Receivables:				
1220	Property taxes - delinquent	-	-	-	-
1230	Allowance for uncollectible taxes (credit)	-	-	-	-
1240	Receivables from other governments	-	24,659	833	-
1260	Due from other funds	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	**Total Assets**	$ -	$ 24,659	$ 833	$ -
	Liabilities, Deferred Inflows and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ -	$ -	$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	24,659	833	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	**Total Liabilities**	-	24,659	833	-
	Deferred Inflows of Resources				
	Deferred inflows - Property Taxes	-	-	-	-
2600	**Total Deferred Inflows of Resources**	-	-	-	-
	Fund Balances:				
	Nonspendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Debt service	-	-	-	-
3490	Other purposes	-	-	-	-
	Committed:				
3545	Campus Activity	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-
4000	**Total Liabilities, Deferred Inflows and Fund Balances**	$ -	$ 24,659	$ 833	$ -

Data Control Codes		410 Instructional Materials Allotment	423 Peace Officer Allocation	461 Campus Activity	429 State Funded Special Revenue Fund
	Assets				
1110	Cash and cash equivalents	$ -	$ -	$ 32,325	$ -
	Receivables:				
1220	Property taxes - delinquent	-	-	-	-
1230	Allowance for uncollectible taxes (credit)	-	-	-	-
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	5,845	455	-	-
1310	Inventories, at cost	-	-	-	-
1000	**Total Assets**	$ 5,845	$ 455	$ 32,325	$ -
	Liabilities, Deferred Inflows and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ -	$ -	$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenues	5,845	455	-	-
2000	**Total Liabilities**	5,845	455	-	-
	Deferred Inflows of Resources				
	Deferred inflows - Property Taxes	-	-	-	-
2600	**Total Deferred Inflows of Resources**	-	-	-	-
	Fund Balances:				
	Nonspendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
3480	Debt service	-	-	-	-
3490	Other purposes	-	-	-	-
	Committed:				
3545	Campus Activity	-	-	32,325	-
3000	**Total Fund Balances**	-	-	32,325	-
4000	**Total Liabilities, Deferred Inflows and Fund Balances**	$ 5,845	$ 455	$ 32,325	$ -

COLDSPRING-OAKHURST CONSOLIDATED ISD
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2021

Data Control Codes		599 Debt Service Fund	Total Nonmajor Governmental Funds
	Assets		
1110	Cash and cash equivalents	$ 152,489	$ 191,030
	Receivables:		
1220	Property taxes - delinquent	254,129	254,129
1230	Allowance for uncollectible taxes (credit)	(24,545)	(24,545)
1240	Receivables from other governments	-	425,322
1260	Due from other funds	18,515	26,112
1310	Inventories, at cost	-	26,664
1000	**Total Assets**	$ 400,588	$ 898,712
	Liabilities, Deferred Inflows and Fund Balances		
	Liabilities:		
	Current Liabilities:		
2110	Accounts payable	$ -	$ 2,586
2160	Accrued wages payable	-	63,907
2170	Due to other funds	-	386,336
2200	Accrued expenditures	-	6,670
2300	Unearned revenues	-	6,300
2000	**Total Liabilities**	-	465,799
	Deferred Inflows of Resources		
	Deferred inflows - Property Taxes	229,584	229,584
2600	**Total Deferred Inflows of Resources**	229,584	229,584
	Fund Balances:		
	Nonspendable:		
3410	Inventories	-	-
3430	Prepaid items	-	-
	Restricted:		
3450	Grant restrictions	-	-
3470	Capital acquisitions	-	-
3480	Debt service	171,004	171,004
3490	Other purposes	-	-
	Committed:		
3545	Campus Activity	-	32,325
3000	**Total Fund Balances**	171,004	203,329
4000	**Total Liabilities, Deferred Inflows and Fund Balances**	$ 400,588	$ 898,712

Data Control Codes		211 ESEA Title I, Part A	224 IDEA-B Formula	225 IDEA-B Preschool	240 Child Nutrition
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ 89,790
5800	State program revenues	-	-	-	5,027
5900	Federal program revenues	632,135	318,781	7,100	900,960
5020	**Total Revenues**	632,135	318,781	7,100	995,777
	Expenditures				
	Current:				
0011	Instruction	535,709	157,130	7,100	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	77,153	-	-	-
0031	Guidance, counseling and evaluation services	-	161,651	-	-
0034	Student transportation	9,950	-	-	-
0035	Food service	-	-	-	1,139,703
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	9,323	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
0073	Bond issuance costs and fees	-	-	-	-
6030	**Total Expenditures**	632,135	318,781	7,100	1,139,703
1100	Excess (deficiency) of revenues over expenditures	-	-	-	(143,926)
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	124,311
7080	**Total Other Financing Sources (Uses)**	-	-	-	124,311
1200	Net change in fund balances	-	-	-	(19,615)
0100	**Fund Balance - September 1 (Beginning)**	-	-	-	19,615
3000	**Fund Balance - August 31 (Ending)**	$ -	$ -	$ -	$ -

Data Control Codes		244 Career and Technical Education	255 Title II, Part A	266 CARES Act - ESSER	270 ESSA Title VI, Part B
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	32,369	76,037	224,280	18,659
5020	**Total Revenues**	32,369	76,037	224,280	18,659
	Expenditures				
	Current:				
0011	Instruction	3,687	58,596	213,481	18,659
0012	Instruction resources and media services	-	-	10,799	-
0013	Curriculum and instructional staff development	-	17,441	-	-
0031	Guidance, counseling and evaluation services	28,682	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
0073	Bond issuance costs and fees	-	-	-	-
6030	**Total Expenditures**	32,369	76,037	224,280	18,659
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	**Fund Balance - September 1 (Beginning)**	-	-	-	-
3000	**Fund Balance - August 31 (Ending)**	$ -	$ -	$ -	$ -

Data Control Codes		276 Title I - SIP Academy Grant	282 ESSER III	287 Title IV Part A	385 State Supplemental Visually Impaired
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	1,950
5900	Federal program revenues	17,879	24,659	26,187	-
5020	**Total Revenues**	17,879	24,659	26,187	1,950
	Expenditures				
	Current:				
0011	Instruction	11,520	24,659	24,187	1,950
0012	Instruction resources and media services	6,359	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	2,000	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
0073	Bond issuance costs and fees	-	-	-	-
6030	**Total Expenditures**	17,879	24,659	26,187	1,950
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	**Fund Balance - September 1 (Beginning)**	-	-	-	-
3000	**Fund Balance - August 31 (Ending)**	$ -	$ -	$ -	$ -

Data Control Codes		410 Instructional Materials Allotment	423 Peace Officer Allocation	461 Campus Activity	429 State Funded Special Revenue Fund
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -
5800	State program revenues	52,345	3,383	-	-
5900	Federal program revenues	-	-	-	-
5020	**Total Revenues**	52,345	3,383	-	-
	Expenditures				
	Current:				
0011	Instruction	276	-	-	-
0012	Instruction resources and media services	52,069	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	4,187	-
0052	Security and monitoring services	-	3,383	-	30
0061	Community services	-	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
0073	Bond issuance costs and fees	-	-	-	-
6030	**Total Expenditures**	52,345	3,383	4,187	30
1100	Excess (deficiency) of revenues over expenditures	-	-	(4,187)	(30)
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
1200	Net change in fund balances	-	-	(4,187)	(30)
0100	**Fund Balance - September 1 (Beginning)**	-	-	36,512	30
3000	**Fund Balance - August 31 (Ending)**	$ -	$ -	$ 32,325	$ -

Data Control Codes		599 Debt Service Fund	Total Nonmajor Governmental Funds
	Revenues		
5700	Local, intermediate, and out-of-state	$ 1,418,114	$ 1,507,904
5800	State program revenues	-	62,705
5900	Federal program revenues	-	2,279,046
5020	**Total Revenues**	1,418,114	3,849,655
	Expenditures		
	Current:		
0011	Instruction	-	1,056,954
0012	Instruction resources and media services	-	69,227
0013	Curriculum and instructional staff development	-	94,594
0031	Guidance, counseling and evaluation services	-	190,333
0034	Student transportation	-	9,950
0035	Food service	-	1,139,703
0036	Extracurricular activities	-	4,187
0052	Security and monitoring services	-	3,413
0061	Community services	-	11,323
	Debt service:		
0071	Principal on long-term debt	725,000	725,000
0072	Interest on long-term debt	622,614	622,614
0073	Bond issuance costs and fees	600	600
6030	**Total Expenditures**	1,348,214	3,927,898
1100	Excess (deficiency) of revenues over expenditures	69,900	(78,243)
	Other Financing Sources (Uses)		
7915	Transfers in	-	124,311
7080	**Total Other Financing Sources (Uses)**	-	124,311
1200	Net change in fund balances	69,900	46,068
0100	**Fund Balance - September 1 (Beginning)**	101,104	157,261
3000	**Fund Balance - August 31 (Ending)**	$ 171,004	$ 203,329

REQUIRED TEA SCHEDULES

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit J-1*

SCHEDULE OF DELINQUENT TAXES RECEIVABLE *Page 1 of 2*

For the Year Ended August 31, 2021

	1	2	3	10
	Tax Rates		Net Assessed/Appraised	Beginning
Last Ten Fiscal Years	Maintenance	Debt Service	Value For School Tax Purposes	Balance 8/31/20
2012 and prior	Various	Various	Various	$ 280,991
2013	$ 1.040000	$ 0.055000	$ 954,198,174	90,388
2014	1.040000	0.055000	951,855,616	97,539
2015	1.040000	0.055000	996,138,356	137,755
2016	1.040000	0.055000	993,755,160	161,320
2017	1.040000	0.055000	1,037,229,406	200,015
2018	1.040000	-	1,154,521,442	238,344
2019	1.040000	0.115000	1,243,090,364	460,202
2020	0.970000	0.102100	1,365,845,537	653,060
2021	0.918500	0.095060	1,482,209,539	-
1000 Totals				$ 2,319,614

	20	31	32	40	50
Last Ten Fiscal Years	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/21
2012 and prior	$ -	$ 18,158	$ 1,060	$ (2,408)	$ 259,365
2013	-	8,164	432	(746)	81,046
2014	-	10,489	555	(1,108)	85,387
2015	-	16,112	852	(997)	119,794
2016	-	28,975	1,532	(2,190)	128,623
2017	-	37,747	1,996	(295)	159,977
2018	-	50,056	-	202	188,490
2019	-	120,502	13,325	4,203	330,578
2020	-	201,648	21,201	(6,323)	423,888
2021	15,023,083	13,052,215	1,350,842	93	620,119
1000 Totals	$ 15,023,083	$ 13,544,066	$ 1,391,795	$ (9,569)	2,397,267
		Penalty and interest receivable on taxes			1,406,600
		Total taxes receivable per Exhibit C-1			$ 3,803,867

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit J-2*

BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM FUND
For the Year Ended August 31, 2021

Data Control Codes		Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local, Intermediate, and Out-of-State	$ 188,100	$ 118,100	$ 89,790	$ (28,310)
5800	State Program Revenues	5,000	5,000	5,027	27
5900	Federal Program Revenues	1,037,500	835,500	900,960	65,460
5020	**Total Revenues**	1,230,600	958,600	995,777	37,177
	Expenditures				
	Current:				
0035	Food Services	1,316,401	1,237,101	1,139,703	97,398
6030	**Total Expenditures**	1,316,401	1,237,101	1,139,703	97,398
1100	Excess (Deficiency) Revenues Over Expenditures	(85,801)	(278,501)	(143,926)	134,575
	Other Financing Sources (Uses)				
7915	Transfers in	-	278,501	124,311	(154,190)
7080	**Total Other Financing Sources (Uses)**	-	278,501	124,311	(154,190)
1200	Increase (Decrease) in Fund Balance	(85,801)	-	(19,615)	(19,615)
0100	**Fund Balance - September 1 (Beginning)**	19,615	19,615	19,615	-
3000	**Fund Balance - August 31 (Ending)**	$ (66,186)	$ 19,615	$ -	$ (19,615)

COLDSPRING-OAKHURST CONSOLIDATED ISD *Exhibit J-3*

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended August 31, 2021

Data Control Codes		Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local, Intermediate, and Out-of-State	$ 1,354,940	$ 1,354,940	$ 1,418,114	$ 63,174
5020	**Total Revenues**	1,354,940	1,354,940	1,418,114	63,174
	Expenditures				
	Debt Service:				
0071	Principal	725,000	725,000	725,000	-
0072	Interest and Fiscal Agent Fees	622,614	622,614	622,614	-
0073	Bond issuance costs and fees	2,500	2,500	600	1,900
6030	**Total Expenditures**	1,350,114	1,350,114	1,348,214	1,900
1200	Increase (Decrease) in Fund Balance	4,826	4,826	69,900	65,074
0100	**Fund Balance - September 1 (Beginning)**	101,104	101,104	101,104	-
3000	**Fund Balance - August 31 (Ending)**	$ 105,930	$ 105,930	$ 171,004	$ 65,074

FEDERAL AWARDS SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Coldspring-Oakhurst Consolidated ISD
Coldspring, Texas

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 Coldspring-Oakhurst Consolidated Independent School District (the "District") as of and for the fiscal year ended August 31, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2022.

Internal Control over Financial Reporting

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

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

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.

To the Board of Trustees
Coldspring-Oakhurst Consolidated ISD

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Whitley Penn LLP

Houston, Texas
January 25, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Coldspring-Oakhurst Consolidated ISD
Coldspring, Texas

Report on Compliance for the Major Federal Program

We have audited Coldspring-Oakhurst Consolidated Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Whitley Penn LLP

Houston, Texas
January 25, 2022

COLDSPRING-OAKHURST CONSOLIDATED ISD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2021

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance with major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No

Identification of Major Programs:

Name of Federal Program or Cluster:	**Assistance Listing Numbers**
US. Department of Education	
Special Education Cluster:	
IDEA B - Formula	84.027A
IDEA - Part B Preschool	84.173A
CARES Act, Section 18003 - Elementary and Secondary School Emergency Relief Fund (ESSER) Grant (COVID-19)	84.425D
Prior Purchase Reimbursement Program (PPRP) (COVID-19)	84.425D
ARP, ESSER III Grant (COVID-19)	84.425U

Dollar Threshold Considered Between Type A and Type B Federal Programs	$750,000
Auditee qualified as low-risk auditee?	Yes

II. Financial Statement Findings

None reported

III. Federal Awards Findings and Questioned Costs

None reported

COLDSPRING-OAKHURST CONSOLIDATED ISD

Exhibit K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2021

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number*	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
	U. S. Department of Education			
	Passed Through State Department of Education:			
211	*ESEA Title I Part A - Improving Basic Programs*	84.010A	21610101204901	$ 497,661
211	*ESEA Title I, 1003 - School Improvement Grant*	84.010A	21610141204901	134,474
	Total ALN 84.010			632,135
224	*IDEA B - Formula*	84.027A	216600012049016000	318,781
225	*IDEA - Part B Preschool*	84.173A	216610012049016000	7,100
	Total Special Education Cluster (ALN 84.027, 84.173)			325,881
244	*Carl D Perkins V: Strengthening*	84.048A	21420006204901	28,682
244	*Carl D Perkins Reserve Grant*	84.048A	204200287110014	3,687
	Total ALN 84.048			32,369
255	*Title II, Part A - Supporting Effective Instruction*	84.367A	21694501204901	76,037
	CARES Act, Section 18003 - Elementary and Secondary			
266	*School Emergency Relief Fund (ESSER) Grant (COVID-19)*	84.425D	20521001204901	89,687
266	*Prior Purchase Reimbursement Program (PPRP) (COVID-19)*	84.425D	52102035	134,593
199	*Prior Purchase Reimbursement Program (PPRP) Prior Year (COVID-19)* [1]	84.425D	52102035	51,144
282	*ARP, ESSER III Grant (COVID-19)*	84.425U	21528001204901	24,659
	Total ALN 84.425			300,083
270	*Title V, Part B*	84.358B	21696001204901	18,659
276	*Instructional Continuity*	84.377A	17610740204901	17,879
287	*Title IV, Part A, Subpart 1*	84.424A	21680101204901	26,187
	Total U. S. Department of Education			**1,429,230**
	U. S. Department of Treasury			
	Passed Through Texas Division of Emergency Management:			
199	*Coronavirus Relief Fund (COVID-19)* [1]	21.019	2020-CF-21019	9,568
	Total U. S. Department of Treasury			**9,568**
	U. S. Department of Agriculture			
	Passed Through the Texas Department of Agriculture:			
	Cash Assistance:			
240	*Child & Adult Care Food Program*	10.558	806780706	4,996
	Passed Through the Texas Department of Agriculture:			
	Non-Cash Assistance:			
240	*National School Lunch Program*	10.555	00962	79,124
240	*School Programs Emergency Operational Cost Reimbursement Program (COVID-19)*	10.555	00962	88,324
	Passed Through State Department of Education:			
	Cash Assistance:			
240	*National School Breakfast Program*	10.553	71402101	201,054
240	*National School Lunch Program*	10.555	71302101	473,554
240	*National School Breakfast Program*	10.553	71402001	14,781
240	*National School Lunch Program*	10.555	71302001	39,127
	Total Child Nutrition Cluster (ALN 10.553, 10.555)			895,964
	Passed Through San Jacinto County Treasurer's Office:			
199	*Schools and Roads - Grants to States (Forest)*	10.665	N/A	49,266
	Total U. S. Department of Agriculture			**950,226**
	Total Expenditures of Federal Awards			**$ 2,389,024**

*ALN formerly known as CFDA#.

[1] All amounts under this program are related to expenditures incurred in a prior fiscal year.

Note 1 - Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General and Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such 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. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District's general fund.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2021. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards ("SEFA") and expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds:

Total Expenditures of Federal Awards - Exhibit K-1	$ 2,389,024
JROTC	58,068
SHARS	284,141
E-Rate	76,257
Total Federal Revenue - Exhibit C-3	$ 2,807,490

Note 4 - General Fund Expenditures

Federal awards reported in the general fund are summarized as follows:

JROTC	$	58,068
SHARS		284,141
E-Rate		76,257
Prior Purchase Reimbursement Program (PPRP) (COVID-19)		51,144
Coronavirus Relief Fund (COVID-19)		9,568
Schools and Roads - Grants to States (Forest)		49,266
Total Federal Revenue - Exhibit C-3	$	528,444

COLDSPRING-OAKHURST CONSOLIDATED ISD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None Noted

COLDSPRING-OAKHURST CONSOLIDATED ISD

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

I. Corrective Action Plan

Not applicable

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Schedule L-1 - Required Responses to Selected School FIRST Indicators

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.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	$ 0