

GODLEY INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
AUGUST 31, 2021

GODLEY INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION

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CERTIFICATE OF THE BOARD

Godley Independent School District
Name of School District

Johnson
County

126-911
Co. – Dist. Number

We, the undersigned, certify that the attached annual financial reports of the Godley Independent School District were reviewed and (check one) X approved disapproved for the year ended August 31, 2021, at a meeting of the board of trustees of such school district on the 24th day of January, 2022.

Craig Stevenson

Signature of Board Secretary

Matt McKittrick

Signature of Board President

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Godley Independent School District
313 N. Pearson
Godley, Texas 76044

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 Godley 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 thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2021, the District adopted a new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Teacher Retirement System pension and OPEB schedules, as presented in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 the required Texas Education Agency 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as J-1, J-2, J-3 and J-4. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kirk & Richardson, P.C.

Kirk & Richardson, P.C.
Fort Worth, Texas
January 24, 2022



GODLEY INDEPENDENT SCHOOL DISTRICT

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021 UNAUDITED

As management of the Godley Independent School District (the "District"), we offer this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2021. Please read this narrative in conjunction with the independent auditor's report and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District issued \$93,680,000 in Unlimited Tax School Building Bonds, Series 2021 for (1) the construction, renovation, acquisition, and equipment of school buildings in the District, including the acquisition of land therefor, the acquisition of new school buses, the retrofitting of school buses with emergency, safety or security equipment, and the purchase or retrofitting of vehicles to be used for emergency, safety or security purposes and (2) to pay costs associated with the issuance of the Bonds.
- The District's Governmental Activities net position at the close of its fiscal year was \$10,914,390 a decrease of \$3,097,324 from last years' balance of \$14,011,714. The Business-type net position, all of which is unrestricted, as of August 31, 2021, was \$(35,992) as compared to the prior year balance of \$(22,182).
- Governmental Activities current year unrestricted balance is \$(7,249,357) as compared to last years' balance of \$(7,099,251).
- The Governmental Activities net position categories are shown below:

Net investment in capital assets	\$11,457,337
Restricted:	
Federal & state programs	568,465
Debt service	5,999,232
Campus activities	138,713
Total restricted	6,706,410
Unrestricted	(7,249,357)
Net Position	\$10,914,390

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$118,592,066, an increase of \$94,263,619 over the prior year. Changes within the various funds are shown below:



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	General Fund	Debt Service Fund	Capital Projects	Other Funds
Increase/(decrease) from operations	\$(3,193)	\$ 712,432	\$(8,625,067)	\$257,055
Other financing sources (uses):				
Capital related debt issued	0	0	93,680,000	0
Non-current loans	0	0	0	0
Transfers in	0	1,096,640	0	834
Premium or discount on issuance of bonds	0	0	8,242,392	0
Transfers out (use)	(834)	0	(1,096,640)	0
Total other financing sources (uses)	(834)	1,096,640	100,825,752	834
Net change in fund balances	\$(4,027)	\$1,809,072	\$92,200,685	\$257,889

- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,190,710, or 17% of total General Fund current year expenditures, and may be used to finance future operating expenditures. Prior year unassigned fund balance for the General Fund was \$4,380,170, or 17% of total General Fund current year expenditures.
- No new educational programs were added during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Government-wide financial statements - These statements provide information about the activities of the District as a whole and present both a long-term and short-term view of the District's finances. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information on all District assets, deferred outflows/inflows and liabilities with the difference being reported as net position. Over time, increases and 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 on all current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (government activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has an after school care program that is considered as a business-type activity and is accounted for in an Enterprise Fund. The District does not have any component units for which it is financially accountable.



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- Fund financial statements – These statements report the District’s operations in more detail than the government-wide statements by providing information about the District’s most significant funds. Some funds are required by State law and/or bond covenants. Other funds may be established by the Board to control and manage money for a particular purpose or to show that certain taxes or grants are properly accounted for.

All the funds of the District can be divided into three classifications, governmental funds, proprietary funds, or fiduciary funds.

- Governmental funds – these financial statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget.
- Proprietary funds – Proprietary funds are used to account for on-going organizations and activities where net income and capital maintenance are measured. All related assets, liabilities, equities, revenues, expenses, non-operating revenues and expenses, and transfers are accounted for through the fund affected. Generally accepted accounting principles that apply to similar businesses in the private sector are applicable to proprietary type funds, as net income and financial position are to be determined. These funds utilize the accrual basis of accounting. The District operated an after school care program as an enterprise fund during the year. A budget is not required to be approved by the District’s Board of Trustees. Expenses of an enterprise operation, including depreciation, are generally intended to be financed or recovered primarily through user charges, rather than from governmental grants or subsidies.
- Fiduciary funds – these financial statements provide information about activities for which the District acts solely as a trustee or agent for the benefit of others, for example, student activity funds and scholarships for graduating students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s operations.
- Notes to the financial statements - The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide statements and the fund financial statements.
- Other information – This annual report contains other supplementary information in addition to the basic financial statements and the notes to the financial statements. The Management’s Discussion and Analysis is required supplementary information under governmental accounting standards. The “Combining Schedules” for nonmajor funds contain even more information about the District’s individual funds. The “Required Texas Education Agency Schedules” and “Reports on Internal Controls, Compliance, and Federal Awards” contain data used by monitoring or regulatory agencies for assurance that the District is using supplied funds in compliance with terms of grants.



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GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis presents both current and prior year data and discusses significant changes in the accounts. Our analysis focuses on the statement of net position (Table 1) and the statement of activities (Table 2) of the District's governmental activities.

Table 1
Statement of Net Position

	Governmental Activities	
	2021	2020
ASSETS:		
Current and other assets	\$121,294,383	\$ 28,037,855
Capital assets	85,948,785	82,690,364
Total assets	207,243,168	110,728,219
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charges for refunding	2,088,231	2,263,606
TRS – Pension	2,932,654	3,755,102
TRS – Other Post Employee Benefits	3,563,783	3,047,782
Total deferred outflow of resources	8,584,668	9,066,490
LIABILITIES:		
Current liabilities	2,415,270	3,293,002
Long-term liabilities	178,834,670	79,171,940
Sub-totals	181,249,940	82,464,942
TRS – Pension (District's Share)	7,127,562	7,316,655
TRS – Other Post Employee Benefits (District's Share)	8,856,268	10,326,235
Total liabilities	197,233,770	100,107,832
DEFERRED INFLOW OF RESOURCES:		
TRS – Pension	1,194,618	1,207,880
TRS – Other Post Employee Benefits	6,485,058	4,467,283
Total deferred inflow of resources	7,679,676	5,675,163
NET POSITION:		
Net investment in capital assets	11,457,337	5,782,030
Restricted	6,706,410	15,328,935
Unrestricted	(7,249,357)	(7,099,251)
Total net position	\$10,914,390	\$14,011,714

	Business Type Activities	
	2021	2020
ASSETS:		
Current and other assets	\$(35,992)	\$(22,182)
Total assets	(35,992)	(22,182)
LIABILITIES:		
Other liabilities	0	0
Total liabilities	0	0
NET POSITION:		
Unrestricted	(35,992)	(22,182)
Total net position	\$(35,992)	\$(22,182)



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A large portion of the Governmental Activities net position, \$11,457,337, reflects the District's net investment in capital assets (e.g., land, buildings, furniture and equipment, and accumulated depreciation), less any related debt used to acquire those assets that are still outstanding. 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. An additional portion of the District's net position, \$6,706,410, represents resources that are subject to external restrictions on how they may be used.

Table 2
Statement of Activities

	Governmental Activities	
	2021	2020
REVENUES:		
Program revenues:		
Charges for services	\$ 3,531,590	\$ 2,974,808
Operating grants and contributions	7,354,774	5,621,569
General revenues:		
Maintenance and operations taxes	9,492,139	9,503,138
Debt service taxes	4,911,046	4,898,523
State aid – formula grants	12,653,695	11,776,844
Grants and contributions not restricted	639,940	1,424,362
Investment earnings	49,201	377,169
Miscellaneous local & intermediate revenue	736,484	108,616
Special item – mineral rights	0	86
Total revenues	39,368,869	36,685,115
EXPENSES:		
Instruction & instructional-related services	20,148,032	18,720,259
Instructional & school leadership	2,231,034	2,628,378
Guidance, social work, health, transportation	3,890,899	4,056,672
Food service	1,398,717	1,438,107
Extracurricular activities	1,296,842	1,307,074
General administration	1,444,895	1,246,493
Plant maintenance & security	6,171,474	3,118,779
Data processing services	873,493	778,915
Community services	4,731	6,974
Debt service	3,438,430	2,867,905
Capital outlay	0	0
Intergovernmental charges	1,567,646	1,283,127
Total expenses	42,466,193	37,452,683
Increase/(Decrease) in net position before inflows/ outflows and special items	(3,097,324)	(767,568)
Net position beginning of year	14,011,714	14,779,282
Prior period adjustment	0	0
Net position end of year	\$10,914,390	\$14,011,714



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	Business Type Activities	
	2021	2020
REVENUES	\$67,730	\$63,047
EXPENSES	(81,540)	(89,237)
Increase/(Decrease) in net position before inflows/ Outflows and special items	(13,810)	(26,190)
Net position beginning of year	(22,182)	4,008
Net position end of year	\$(35,992)	\$(22,182)

Governmental Revenue by Source

	Governmental Activities	
	2021	2020
Program Revenues:		
Charges for services	8.9%	8.1%
Operating grants and contributions	18.7%	15.3%
General Revenues:		
Maintenance & operating taxes	24.1%	25.9%
Debt service taxes	12.4%	13.3%
State aid – formula grants	32.1%	32.1%
Grants and contributions not restricted	1.6%	3.9%
All others	2.2%	1.4%
Total Revenues	100.0%	100.0%

Governmental Expenses by Function

	Governmental Activities	
	2021	2020
Instruction & instructional-related services	47.4%	50.1%
Instructional & school leadership	5.3%	7.0%
Guidance, social work, health, transportation	9.2%	10.8%
Food service	3.3%	3.8%
Extracurricular activities	3.1%	3.5%
General administration	3.4%	3.3%
Plant maintenance & security	14.5%	8.3%
Data processing services	2.1%	2.0%
Community services	0.0%	0.0%
Debt service	8.1%	7.7%
Capital outlay	0.0%	0.0%
Intergovernmental charges	3.6%	3.5%
Total Expenses	100.0%	100.0%

The District's net position decreased by \$(3,097,324) from current fiscal year operations as shown below.

- 1) Total net change in Fund Balances – Governmental Funds: \$94,263,619
- 2) Capital outlays and long-term debt principal: \$(94,715,032)
- 3) Depreciation: \$(1,999,832)
- 4) GASB 68 adjustments: \$(620,093)
- 5) GASB 75 adjustments: \$(31,807)
- 5) Other miscellaneous adjustments: \$5,821



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The District is required under GASB 68 and GASB 75 to report its proportionate share of the unfunded liability associated with the Teacher Retirement System of Texas (TRS) pension plan and TRS – other post-employment benefits. The required entries to record the effects of GASB 68 and GASB 75 are book entries only in the statement of governmental activities and do not affect the funding of the District. These entries decreased the District's ending net position and are discussed in greater detail in the notes to the financial statements.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

The District's governmental funds reported a combined ending fund balance of \$118,592,066, a net increase of \$94,263,619 as previously discussed. The unassigned fund balance is \$4,190,710, or 3.5%, and is available for spending at the District's discretion. The remainder of fund balance is not available for discretionary spending because it is classified as either nonspendable, restricted, committed, or assigned to the following items:

Nonspendable fund balance:

Prepaid items -

General Fund

\$105,817

SRF – SSA Special Education

3,669

Total prepaid items

\$109,486

Restricted fund balance:

Federal or state funds grant restrictions -

National Breakfast & Lunch Program

\$ 31,566

SSA – Special Education

533,230

\$564,796

Capital acquisition & contractual obligations -

Capital Projects Fund

\$102,254,991

Retirement of long-term debt -

Debt Service Fund

\$6,263,492

Committed fund balance:

General Fund – construction

\$1,431,055

General Fund – capital expenditures for equipment

1,000,000

General Fund – other committed fund balance

500,000

Other Funds - Campus activity funds

138,713

Total committed fund balances

\$3,069,768

Assigned fund balance:

General Fund – future budget deficits

\$2,138,823

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories:



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1. Amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we originally estimated).
2. Major amendments to the General Fund were to increase Functions 51 – Facilities Maintenance & Operation by \$125,000 projects not included in the original budget. Function 93 – Payments to Fiscal Agent/Member Districts of SSA was increased by \$300,000 for increased cost of SSA operations.
3. Amendments to move funds from programs that did not need all the resources originally appropriated to programs with resource needs.

The District's actual General Fund balance of \$9,366,405 differs from the General Fund's budgetary fund balance of \$8,712,177. The difference of \$654,228 is primarily due to actual state revenues being less than budgeted revenues by \$1,259,787 and actual expenditures were \$1,359,104 less than budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investments in capital assets for its governmental activities at the end of this fiscal year amounts to \$85,948,785 (net of accumulated depreciation) for a net increase of \$3,258,421, or 3.9% over last year. The increase is primarily due to purchasing land for continuing District growth and addition of the new Godley Ag Facility.

More detailed information about the District's capital assets is presented in the notes to the financial statements.

CAPITAL ASSETS		
	2021	2020
Land	\$ 4,520,933	\$ 3,258,692
Construction-in-progress	1,556,311	4,051,591
Buildings & improvements	96,254,195	90,384,998
Furniture & equipment	7,675,025	7,052,930
Sub-totals	110,006,464	104,748,211
Less depreciation	(24,057,679)	(22,057,847)
Totals	\$ 85,948,785	\$82,690,364

Debt Service

At year-end, the District had \$194,818,500 in long-term debt versus \$96,814,830 last year, an increase of \$98,003,670 over last year. Increase is attributable to new bond issue as previously discussed and changes in the District share of TRS net pension liability and TRS net OPEB liability.



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LONG TERM DEBT

	Governmental Activities	
	2021	2020
Bonds payable	\$163,285,000	\$71,090,000
Unamortized premium/(discount)	15,321,051	7,788,378
Loan payable	228,619	293,562
Sub-totals	178,834,670	79,171,940
Net pension liability (District share – TRS)	7,127,562	7,316,655
Net OPEB liability (District share – TRS)	8,856,268	10,326,235
Totals	\$194,818,500	\$96,814,830

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised taxable value used for the 2021-2022 budget preparation was \$1,163,870,712, an increase of \$142,083,869 or 14.0%, over last year's appraised taxable values of \$1,021,786,843.
- Budgeted spending per pupil was \$13,433 for the 2021-2022 budget, an increase of \$841 per pupil from the 2020-2021 actual per pupil amount of \$12,592. Based upon a projected student count of 2,708, this equates to a 2021-2022 total budget of \$36,376,420.
- The District's 2020-2021 refined average daily attendance of 2,325 is 178 more than the prior year and projected refined average daily attendance is estimated as 2,599 for the 2021-2022 school year.
- The District's budget provided for across the board pay increases for all employees, the addition of several positions, and increases in the technology initiative.
- The District adopted a balanced budget for 2021-2022.

These indicators were taken into account when adopting the general fund budget for 2021-2022. Amounts available for appropriation in the general fund budget are \$27.4 million. At present, the District is not classified as a Chapter 41 District and will not be responsible for paying any recapture of their 2021-2022 local tax revenues.

Expenditures in the general fund are budgeted to increase slightly compared to the prior year actual expenditures of \$24.6 million due to the factors described above.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer with the district's business office at (817) 592-4300.

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BASIC FINANCIAL STATEMENTS

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

EXHIBIT A-1

		1	2	3
		Primary Government		
Data			Business	
Control		Governmental	Type	
Codes		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 2,392,903	\$ -	\$ 2,392,903
1120	Current Investments	112,188,234	-	112,188,234
1220	Property Taxes - Delinquent	556,876	-	556,876
1230	Allowance for Uncollectible Taxes	(5,569)	-	(5,569)
1240	Due from Other Governments	5,109,217	-	5,109,217
1250	Accrued Interest	2,674	-	2,674
1260	Internal Balances	35,992	(35,992)	-
1267	Due from Fiduciary Funds	10,464	-	10,464
1290	Other Receivables, Net	892,950	-	892,950
1300	Inventories	1,156	-	1,156
1410	Prepayments	109,486	-	109,486
	Capital Assets:			
1510	Land	4,520,933	-	4,520,933
1520	Buildings, Net	77,354,030	-	77,354,030
1530	Furniture and Equipment, Net	2,517,511	-	2,517,511
1580	Construction in Progress	1,556,311	-	1,556,311
1000	Total Assets	207,243,168	(35,992)	207,207,176
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge for Refunding	2,088,231	-	2,088,231
1705	Deferred Outflow Related to TRS Pension	2,932,654	-	2,932,654
1706	Deferred Outflow Related to TRS OPEB	3,563,783	-	3,563,783
1700	Total Deferred Outflows of Resources	8,584,668	-	8,584,668
LIABILITIES				
2110	Accounts Payable	89,878	-	89,878
2140	Interest Payable	264,260	-	264,260
2150	Payroll Deductions and Withholdings	18,653	-	18,653
2160	Accrued Wages Payable	2,036,474	-	2,036,474
2177	Due to Fiduciary Funds	300	-	300
2190	Due to Student Groups	408	-	408
2300	Unearned Revenue	5,297	-	5,297
	Noncurrent Liabilities:			
2501	Due Within One Year: Loans, Note, Leases, etc.	1,632,413	-	1,632,413
	Due in More than One Year:			
2502	Bonds, Notes, Leases, etc.	177,202,257	-	177,202,257
2540	Net Pension Liability (District's Share)	7,127,562	-	7,127,562
2545	Net OPEB Liability (District's Share)	8,856,268	-	8,856,268
2000	Total Liabilities	197,233,770	-	197,233,770
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS Pension	1,194,618	-	1,194,618
2606	Deferred Inflow Related to TRS OPEB	6,485,058	-	6,485,058
2600	Total Deferred Inflows of Resources	7,679,676	-	7,679,676
NET POSITION				
3200	Net Investment in Capital Assets	11,457,337	-	11,457,337
	Restricted:			
3820	Restricted for Federal and State Programs	568,465	-	568,465
3850	Restricted for Debt Service	5,999,232	-	5,999,232
3870	Restricted for Campus Activities	138,713	-	138,713
3900	Unrestricted	(7,249,357)	(35,992)	(7,285,349)
3000	Total Net Position	\$ 10,914,390	\$ (35,992)	\$ 10,878,398

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

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

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 19,258,854	\$ 3,287,946	\$ 3,562,069
12 Instructional Resources and Media Services	323,232	-	18,597
13 Curriculum and Instructional Staff Development	565,946	-	256,543
21 Instructional Leadership	667,803	-	99,338
23 School Leadership	1,563,231	-	137,973
31 Guidance, Counseling, and Evaluation Services	1,789,612	-	780,990
32 Social Work Services	82,892	-	9,079
33 Health Services	301,326	-	40,215
34 Student (Pupil) Transportation	1,717,069	-	292,604
35 Food Services	1,398,717	179,269	1,219,759
36 Extracurricular Activities	1,296,842	64,375	52,917
41 General Administration	1,444,895	-	160,601
51 Facilities Maintenance and Operations	6,033,631	-	584,605
52 Security and Monitoring Services	137,843	-	23,510
53 Data Processing Services	873,493	-	108,312
61 Community Services	4,731	-	7,662
72 Debt Service - Interest on Long-Term Debt	2,607,433	-	-
73 Debt Service - Bond Issuance Cost and Fees	830,997	-	-
93 Payments Related to Shared Services Arrangements	1,381,528	-	-
99 Other Intergovernmental Charges	186,118	-	-
[TG] Total Governmental Activities:	42,466,193	3,531,590	7,354,774
BUSINESS-TYPE ACTIVITIES:			
01 After School Program	81,540	67,730	-
[TB] Total Business-Type Activities:	81,540	67,730	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 42,547,733	\$ 3,599,320	\$ 7,354,774
Data			
Control	General Revenues:		
Codes	Taxes:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
SF	State Aid - Formula Grants		
GC	Grants and Contributions not Restricted		
IE	Investment Earnings		
MI	Miscellaneous Local and Intermediate Revenue		
TR	Total General Revenues		
CN	Change in Net Position		
NB	Net Position - Beginning		
NE	Net Position - Ending		

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

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (12,408,839)	\$ -	\$ (12,408,839)
(304,635)	-	(304,635)
(309,403)	-	(309,403)
(568,465)	-	(568,465)
(1,425,258)	-	(1,425,258)
(1,008,622)	-	(1,008,622)
(73,813)	-	(73,813)
(261,111)	-	(261,111)
(1,424,465)	-	(1,424,465)
311	-	311
(1,179,550)	-	(1,179,550)
(1,284,294)	-	(1,284,294)
(5,449,026)	-	(5,449,026)
(114,333)	-	(114,333)
(765,181)	-	(765,181)
2,931	-	2,931
(2,607,433)	-	(2,607,433)
(830,997)	-	(830,997)
(1,381,528)	-	(1,381,528)
(186,118)	-	(186,118)
(31,579,829)	-	(31,579,829)
-	(13,810)	(13,810)
-	(13,810)	(13,810)
(31,579,829)	(13,810)	(31,593,639)
9,492,139	-	9,492,139
4,911,046	-	4,911,046
12,653,695	-	12,653,695
639,940	-	639,940
49,201	-	49,201
736,484	-	736,484
28,482,505	-	28,482,505
(3,097,324)	(13,810)	(3,111,134)
14,011,714	(22,182)	13,989,532
\$ 10,914,390	\$ (35,992)	\$ 10,878,398

GODLEY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes	10 General Fund	ESSER II Grant	ESSER III Grant
ASSETS			
1110 Cash and Cash Equivalents	\$ 2,188,667	\$ -	\$ -
1120 Investments - Current	5,316,052	-	-
1220 Property Taxes - Delinquent	402,997	-	-
1230 Allowance for Uncollectible Taxes	(4,030)	-	-
1240 Due from Other Governments	1,968,644	846,504	1,380,062
1250 Accrued Interest	2,345	-	-
1260 Due from Other Funds	3,018,107	-	-
1290 Other Receivables	30	-	-
1300 Inventories	-	-	-
1410 Prepayments	105,817	-	-
1000 Total Assets	<u>\$ 12,998,629</u>	<u>\$ 846,504</u>	<u>\$ 1,380,062</u>
LIABILITIES			
2110 Accounts Payable	\$ 15,958	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	18,653	-	-
2160 Accrued Wages Payable	1,650,466	-	3,035
2170 Due to Other Funds	1,543,631	846,504	1,377,027
2190 Due to Student Groups	408	-	-
2300 Unearned Revenue	4,141	-	-
2000 Total Liabilities	<u>3,233,257</u>	<u>846,504</u>	<u>1,380,062</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	398,967	-	-
2600 Total Deferred Inflows of Resources	<u>398,967</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430 Prepaid Items	105,817	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	-
Committed Fund Balance:			
3510 Construction	1,431,055	-	-
3530 Capital Expenditures for Equipment	1,000,000	-	-
3545 Other Committed Fund Balance	500,000	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	2,138,823	-	-
3600 Unassigned Fund Balance	4,190,710	-	-
3000 Total Fund Balances	<u>9,366,405</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 12,998,629</u>	<u>\$ 846,504</u>	<u>\$ 1,380,062</u>

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

50 Debt Service Fund	60 Capital Projects	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 204,236	\$ 2,392,903
6,221,456	100,006,139	644,587	112,188,234
153,879	-	-	556,876
(1,539)	-	-	(5,569)
-	-	914,007	5,109,217
329	-	-	2,674
41,707	1,502,021	493,043	5,054,878
-	852,875	40,045	892,950
-	-	1,156	1,156
-	-	3,669	109,486
<u>\$ 6,415,832</u>	<u>\$ 102,361,035</u>	<u>\$ 2,300,743</u>	<u>\$ 126,302,805</u>
\$ -	\$ 73,486	\$ -	\$ 89,444
-	-	-	18,653
-	-	382,973	2,036,474
-	32,558	1,209,436	5,009,156
-	-	-	408
-	-	1,156	5,297
<u>-</u>	<u>106,044</u>	<u>1,593,565</u>	<u>7,159,432</u>
152,340	-	-	551,307
<u>152,340</u>	<u>-</u>	<u>-</u>	<u>551,307</u>
-	-	3,669	109,486
-	-	564,796	564,796
-	102,254,991	-	102,254,991
6,263,492	-	-	6,263,492
-	-	-	1,431,055
-	-	-	1,000,000
-	-	138,713	638,713
-	-	-	2,138,823
-	-	-	4,190,710
<u>6,263,492</u>	<u>102,254,991</u>	<u>707,178</u>	<u>118,592,066</u>
<u>\$ 6,415,832</u>	<u>\$ 102,361,035</u>	<u>\$ 2,300,743</u>	<u>\$ 126,302,805</u>

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

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 118,592,066
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. There is no change to net position as a result of this consolidation.	-
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$104,748,211 and the accumulated depreciation was \$(22,057,847). In addition, 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. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	5,652,950
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The District also issued new bonds that are reported as other financing resources in the fund statements, but should be shown as an increase in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays, debt principal payments, and new debt issued is to decrease net position.	(94,715,032)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$2,932,654, a deferred resource inflow in the amount of \$1,194,618, and a net pension liability in the amount of \$7,127,562. This resulted in a decrease in net position.	(5,389,526)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$3,563,783, a deferred resource inflow in the amount of \$6,485,058, and a net OPEB liability in the amount of \$8,856,268. This resulted in a decrease in net position.	(11,777,543)
6 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(1,999,832)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	551,307
19 Net Position of Governmental Activities	\$ 10,914,390

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

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

Data Control Codes	10 General Fund	ESSER II Grant	ESSER III Grant
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 10,205,449	\$ -	\$ -
5800 State Program Revenues	13,728,280	-	-
5900 Federal Program Revenues	714,320	997,972	1,194,487
5020 Total Revenues	24,648,049	997,972	1,194,487
EXPENDITURES:			
Current:			
0011 Instruction	12,971,724	438,364	744,158
0012 Instructional Resources and Media Services	275,964	-	3,346
0013 Curriculum and Instructional Staff Development	324,212	120,000	9,008
0021 Instructional Leadership	232,316	-	10,294
0023 School Leadership	1,451,056	-	30,883
0031 Guidance, Counseling, and Evaluation Services	646,862	-	36,371
0032 Social Work Services	77,233	-	-
0033 Health Services	272,828	10,851	11,066
0034 Student (Pupil) Transportation	757,953	10,000	94,876
0035 Food Services	-	-	35,258
0036 Extracurricular Activities	1,021,909	-	7,978
0041 General Administration	1,310,390	-	88,596
0051 Facilities Maintenance and Operations	2,750,808	358,026	101,035
0052 Security and Monitoring Services	114,096	23,510	-
0053 Data Processing Services	806,430	37,221	18,272
0061 Community Services	-	-	3,346
Debt Service:			
0071 Principal on Long-Term Debt	64,942	-	-
0072 Interest on Long-Term Debt	9,873	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	1,376,528	-	-
0099 Other Intergovernmental Charges	186,118	-	-
6030 Total Expenditures	24,651,242	997,972	1,194,487
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,193)	-	-
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	-
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	(834)	-	-
7080 Total Other Financing Sources (Uses)	(834)	-	-
1200 Net Change in Fund Balances	(4,027)	-	-
0100 Fund Balance - September 1 (Beginning)	9,370,432	-	-
3000 Fund Balance - August 31 (Ending)	\$ 9,366,405	\$ -	\$ -

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

	50 Debt Service Fund	60 Capital Projects	Other Funds	Total Governmental Funds
\$	5,157,295	\$ 16,294	\$ 3,335,601	\$ 18,714,639
	42,107	-	569,202	14,339,589
	-	-	3,211,575	6,118,354
	5,199,402	16,294	7,116,378	39,172,582
	-	-	3,377,337	17,531,583
	-	-	14,097	293,407
	-	-	100,695	553,915
	-	-	404,473	647,083
	-	-	28,738	1,510,677
	-	-	1,026,537	1,709,770
	-	-	3,263	80,496
	-	-	-	294,745
	-	-	457,246	1,320,075
	-	-	1,328,748	1,364,006
	-	-	-	1,029,887
	-	-	9,396	1,408,382
	-	-	103,556	3,313,425
	-	-	237	137,843
	-	-	-	861,923
	-	-	-	3,346
	1,485,000	-	-	1,549,942
	2,996,725	-	-	3,006,598
	5,245	825,752	-	830,997
	-	7,815,609	-	7,815,609
	-	-	5,000	1,381,528
	-	-	-	186,118
	4,486,970	8,641,361	6,859,323	46,831,355
	712,432	(8,625,067)	257,055	(7,658,773)
	-	93,680,000	-	93,680,000
	1,096,640	-	834	1,097,474
	-	8,242,392	-	8,242,392
	-	(1,096,640)	-	(1,097,474)
	1,096,640	100,825,752	834	101,922,392
	1,809,072	92,200,685	257,889	94,263,619
	4,454,420	10,054,306	449,289	24,328,447
\$	6,263,492	\$ 102,254,991	\$ 707,178	\$ 118,592,066

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GODLEY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 94,263,619
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. There is no change in net position as a result of this consolidation.	-
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The District also issued new bonds that are reported as other financing resources in the fund statements, but should be shown as an increase in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays, debt principal payments, and new debt issued is to decrease net position.	(94,715,032)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(1,999,832)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	5,821
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$74,296. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$568,510. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$625,879. The net result is a decrease in the change in net position.	(620,093)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$175,949. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$177,051. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$30,705. The net result is a decrease in the change in net position.	(31,807)
Change in Net Position of Governmental Activities	\$ (3,097,324)

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

GODLEY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2021

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<hr/>		
ASSETS		
Current Assets:		
Due from Other Funds	\$ 1,287	\$ 434
Total Assets	<u>1,287</u>	<u>434</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	-	434
Due to Other Funds	<u>37,279</u>	<u>-</u>
Total Liabilities	<u>37,279</u>	<u>434</u>
NET POSITION		
Unrestricted Net Position	<u>(35,992)</u>	<u>-</u>
Total Net Position	<u><u>\$ (35,992)</u></u>	<u><u>\$ -</u></u>

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

GODLEY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 63,915	\$ 132
State Program Revenues	3,815	-
Total Operating Revenues	<u>67,730</u>	<u>132</u>
OPERATING EXPENSES:		
Payroll Costs	78,708	132
Supplies and Materials	2,832	-
Total Operating Expenses	<u>81,540</u>	<u>132</u>
Operating Income (Loss)	(13,810)	-
Total Net Position - September 1 (Beginning)	<u>(22,182)</u>	<u>-</u>
 Total Net Position - August 31 (Ending)	 <u><u>\$ (35,992)</u></u>	 <u><u>\$ -</u></u>

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

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

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 63,915	\$ -
Cash Received from Other Funds	1,287	132
Cash Payments to Employees for Services	(62,370)	-
Cash Payments for Insurance Claims	-	(132)
Cash Payments for Suppliers	(2,832)	-
Net Cash Provided by Operating Activities	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at Beginning of Year	-	-
Cash and Cash Equivalents at End of Year	\$ -	\$ -
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income (Loss):	\$ (13,810)	\$ -
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Due from Other Funds	(1,287)	132
Increase (decrease) in Accounts Payable	-	(132)
Increase (decrease) in Due to Other Funds	15,097	-
Net Cash Provided by Operating Activities	\$ -	\$ -

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

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

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 72,711	\$ 155,340
Investments - Current	34,611	-
Due from Other Funds	7	293
Total Assets	<u>107,329</u>	<u>\$ 155,633</u>
LIABILITIES		
Due to Other Funds	<u>10,464</u>	<u>-</u>
Total Liabilities	<u>10,464</u>	<u>-</u>
NET POSITION		
Restricted for Other Purposes	-	155,633
Unrestricted Net Position	<u>96,865</u>	<u>-</u>
Total Net Position	<u><u>\$ 96,865</u></u>	<u><u>\$ 155,633</u></u>

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

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

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Enterprising Services Revenue	\$ -	\$ 309,028
Earnings from Temporary Deposits	303	-
Contributions, Gifts and Donations	9,070	-
Miscellaneous Additions	-	1,250
Total Additions	<u>9,373</u>	<u>310,278</u>
DEDUCTIONS:		
Payroll Costs	-	1,250
Supplies and Materials	-	240,887
Other Deductions	13,931	-
Total Deductions	<u>13,931</u>	<u>242,137</u>
Change in Fiduciary Net Position	(4,558)	68,141
Total Net Position - September 1 (Beginning)	<u>101,423</u>	<u>87,492</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 96,865</u></u>	<u><u>\$ 155,633</u></u>

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

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Godley Independent School District (the “District”) is a public education agency operating under the applicable laws and regulations of the State of Texas. The District prepares its’ basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in GASB Statement 76, and it complies with the requirements of the appropriate version of the Texas Education Agency’s *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

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, information about assets, liabilities, and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) – The fiduciary net position of the Teacher Retirement System of Texas TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual 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 a pay-as-you-go plan and all cash is held in a cash account.

The District’s investments in governmental investment pools are accounted for using the cost amortization method.

The following is a summary of the most significant accounting policies.

A. Reporting Entity

The District’s Board of Trustees (the “Board”), consisting of seven members, has governance responsibilities over all activities related to public school education within the District. The daily functioning of the District is under the supervision of the Superintendent. Board members are elected by the public, have authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by Governmental Accounting Standards Board (GASB) in its *Statement No. 14, The Financial Reporting Entity*. There are no component units included within the reporting entity.

B. Basis of Presentation – Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on the District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants, and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. The “grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all District’s functions. Taxes are always general revenues.

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-Retirement and TRS-Care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund State of Revenues, Expenditures, and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

C. Basis of Presentation – Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures. The fund statements are prepared on a current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and the basis of accounting than the government-wide statements’ governmental activities column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the government-wide financial statements.

Major Governmental Funds:

The General Fund – The General Fund is the District’s general operating fund. It is used to account for all financial transactions except for those required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School

Program. Expenditures include all costs associated with the daily operations of the District except for costs incurred by programs accounted for in other funds. The General Fund is always considered a major fund as defined by GASB 34. The General Fund is a budgeted fund, and any fund balances are considered resources for current and future operations.

The ESSER II Grant Fund – This fund is used to account for federal stimulus ESSER II funds granted to the District through the CRRSA Act to support the District’s ability to operate, instruct students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.

The ESSER III Grant Fund – This fund is used to account for federal stimulus ESSER III funds granted to the District through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

The Debt Service Fund – This fund, which is a budgeted fund, accounts for the resources accumulated and payments made on long-term general obligation debt of governmental funds. Revenues include collections of general property taxes, state funding under the Instructional Facilities and Existing Debt Allotments, and earnings on investments of the fund. Expenditures of the fund are for the retirement of bonds and payments of interest on the bonded debt. The fund balance represents the amount that is available for the retirement of bonds and payment of interest in the future. This fund is also a budgeted fund, and any fund balances are considered resources for current and future operations.

The Capital Projects Fund – This fund, which is an unbudgeted fund, is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction, renovations, and technology projects/enhancements.

In addition, the District maintains the following funds:

Governmental Funds:

Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by the District or grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

The District’s Food Service Fund (National Breakfast and Lunch Program) is considered a special revenue fund since it meets the following criteria: (1) User fees are charged to supplement the National School Breakfast and Lunch Program, (2) the General Fund subsidizes the Food Service Program for all expenditures in excess of the National Breakfast and Lunch Program, and (3) the District does not consider the Food Service Program completely self-supporting. Food Service fund balances are used exclusively for child nutrition program purposes. This is a budgeted fund.

Proprietary Funds:

Enterprise Funds – These funds are conceived to be self-supporting. Revenues and expenditures are incurred from operating an after-school child care program as a business-type activity.

Internal Service Funds – These funds are conceived to be self-supporting. Revenues are earned mainly from sales of services to the schools and operating departments of the District. The District uses this fund type to report its workers’ compensation activities.

Fiduciary Funds:

Private-purpose Trust Fund – This fund is used to account for all trust agreements under which the principal and income benefit a specific school or group of students.

Fiduciary Funds – Agency Funds – The Agency Fund is custodial in nature and accounts for activities of student groups and other types of activities requiring clearing accounts. The fund has no equity. Assets are equal to liabilities and do not include revenues and expenditures for general operations of the District. This accounting reflects the District’s agency relationship with student activity organizations. Fiduciary funds use the accrual basis of accounting to recognize assets and liabilities.

The District does not have any permanent funds.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment are determined by the applicable measurement focus and the basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements use 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 revenue 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing resources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences, claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collected within 60 days after year-end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the “susceptible to accrual” concept, that is, when they are both measurable and available. The District considers them “available” if they will be collected within 60 days of the end of the fiscal year. Property taxes received after the 60-day

period are not considered available and, therefore, are recorded as the deferred inflow of resources in the Governmental Funds Balance Sheet. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

Management's Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimations and assumptions that affect the reported amounts of 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.

The amount of state foundation revenue and the related receivables and liabilities a district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year.

E. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balance

1. Cash and Cash Equivalents - The District's cash and cash equivalents are considered as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments for the District are reported at fair value.
2. Investments - Investments are recorded at fair value. Investments are considered and classified as cash equivalents. Investments are primarily in FDIC insured investments, savings accounts, and public funds money markets and are not significantly affected by an impairment of the credit standing of the issues or other factors.
3. Inventories and Prepaid Items - The District uses the consumption method to account for inventories of food products, school supplies, and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. In the General Fund, reported inventories are offset by a fund balance reserve. Inventories of food commodities used in the food service program are recorded at fair market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is recorded as inventory and unearned revenue when received. When requisitioned, inventory, and unearned revenues are relieved, expenditures are charged, and revenue is recognized for an equal amount.

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

4. Other Receivables and Payables - These may include amounts due from local, state, and federal agencies resulting from an excess of expenditures over revenues incurred, accrued liabilities, interest payable, and accrued wages payable.
5. Interfund Activities - The District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to 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 funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances 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. Transfers between funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

6. Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system in order to reserve a portion of the applicable appropriation, is employed in the governmental fund types on the governmental fund financial statements. Encumbrances are liquidated at year end.
7. Capital Assets - Capital assets, which include land, buildings and improvements, furniture and equipment, and construction in progress, are reported in the applicable governmental column in the government-wide financial statements. The cost of the infrastructure (e.g., roads, bridges, sidewalks, and similar items) 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 of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair 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 capital lease assets of the District are depreciated using the straight-line method over the following estimated lives:

Asset Classification	Useful Life
Buildings and improvements	20-50
Furniture & equipment	8-15

Land and construction in progress are not depreciable.

8. Unearned Revenues - Unearned revenues represent revenues received by the District but not yet earned and are not available for use by the District to liquidate current year liabilities. A summary of unearned revenues by fund follows:

General Fund	<u>\$4,141</u>
Special Revenue Funds:	
National Breakfast & Lunch Program	<u>1,156</u>
Total	<u>\$5,297</u>

9. Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activity, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Deferred loss on refunding, will be recognized as a deferred outflow of resources and amortized to interest expense over the life of the bonds. Bond issuance costs are expensed in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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.

10. Deferred Outflows/Inflow of Resources - In addition to assets, the District will sometimes report a separate section for deferred outflows 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 had the following deferred outflows of resources:

- 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 the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. During the current year, the District had \$2,088,231 in deferred charges for refunding.
- 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 differences between expected and actuarial experience. 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. During the current year, the District had \$2,932,654 deferred outflow related to TRS from implementing GASB 68. This amount consisted of \$2,358,358 for total net amounts per TRS August 31, 2020

measurement date and \$574,296 for contributions paid to TRS subsequent to the measurement date.

- Deferred outflow of resources related to TRS OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results related to TRS OPEB contributions made after the measurement date of the net pension liability and the results of differences between expected and actuarial experience. The deferred outflows of resources related to TRS OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net TRS OPEB liability in the next fiscal year. During the current year, the District had \$3,563,783 deferred outflow related to TRS OPEB as a result of GASB 75. This amount consisted of \$3,387,834 for total net amounts per TRS OPEB August 31, 2020 measurement date and \$175,949 for contributions paid to TRS OPEB subsequent to the measurement date.

In addition to liabilities, the District will sometimes report a separate section for deferred inflow of resources. 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 had three items that qualify for reporting in this category:

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available. During the current year, the District recorded deferred inflow of resources \$398,967 and \$152,340 as unavailable revenues – property taxes with the General Fund and Debt Service Fund respectively.
 - Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. During the current year, the District recorded \$1,194,618 for total net amounts per TRS August 31, 2020 measurement date in accordance with GASB 68.
 - Deferred inflow of resources related to TRS OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on TRS OPEB investments. During the current year, the District recorded \$6,485,058 for total net amounts per TRS OPEB August 31, 2020 measurement date in accordance with GASB 75.
11. 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.

12. Net Position Flow Assumptions - Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the District's normal policy is to use the restricted resource to finance its activities.

The Government-wide Statement of Net Position includes the following:

Net investment in capital assets - the component of the net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt and is directly attributable to the acquisition, construction, or improvement of these capital assets.

Restricted for federal and state programs - the component of the net position that reports the difference between assets and liabilities related to federal and state programs that consist of assets with constraints placed on their use by granting agencies.

Restricted for debt service - the component of the net position that reports the difference between assets and liabilities adjusted on a government-wide basis that consists of assets with constraints placed on their use by the bond covenants.

Restricted for capital projects - funds that have been assigned for future expenditures for equipment.

Restricted for campus activities - funds that have been committed solely for the use by various campuses within the District.

Unrestricted net position - the difference between the assets and liabilities that are not reported in net investment in capital assets or restricted net position.

13. Fund Balance Flow Assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, the committed fund balance is depleted first, followed by assigned fund balance. The unassigned fund balance is applied last.
14. Fund Balance Policies - In the fund financial statements, government funds report fund balances as either a non-spendable fund balance or a spendable fund balance.

Non-spendable fund balance – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items.

Spendable fund balance – Spendable fund balance includes restricted, committed, assigned, and unassigned components. These components can be described as follows:

Restricted fund balance – the component of the spendable fund balance constrained to a specific purpose by a provider, such as a creditor, grantor, contributor, or law or regulation of other governments. Restricted fund balance includes funds for federal/state grants, capital acquisition/contractual obligations, and retirement of long-term debt.

Committed fund balance – the component of spendable fund balance constrained to a specific purpose by the Board. A Board resolution is required to establish, modify, or rescind a fund balance commitment. Only the action that constitutes the most binding constraint of the Board can be considered a commitment for fund balance classification purposes. Committed fund balance includes funds for construction, capital expenditures for equipment, other committed fund balance, and campus activity funds.

Assigned fund balance – the component of the spendable fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board of Trustees or by an official or body to which the Board of Trustees delegates. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is a specific purpose that is narrower than the general purposes of the District itself. The District's General Fund has \$2,138,823 as other assigned fund balance for future budgetary deficits.

Unassigned fund balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures. Only the General Fund will have unassigned amounts. By accounting for amounts in other funds, the District has implicitly assigned the funds for purposes of those funds. The District has a minimum fund balance policy that the Unassigned Fund Balance should represent 17% of total operating expenditures.

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

Disclosure of Fund Balances Reported on Balance Sheet – Governmental Funds
For Fiscal Year Ending August 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Other Funds
Nonspendable Fund Balance				
Prepaid Items	\$ 105,817	\$ 0	\$ 0	\$ 3,669
Restricted Fund Balance				
National Breakfast & Lunch Prog.	0	0	0	31,566
SSA Special Education	0	0	0	533,230
Capital acquisit. & contract. oblig.	0	0	102,254,991	0
Retirement of long-term debt	0	6,263,492	0	0
Committed Fund Balance				
Construction	1,431,055	0	0	0
Capital expenditures for equipment	1,000,000	0	0	0
Other committed fund balance	500,000	0	0	0
Campus activity funds	0	0	0	138,713
Assigned Fund Balance				
Future budgetary deficits	2,138,823	0	0	0
Unassigned	4,190,710	0	0	0
Total Fund Balance	<u>\$9,366,405</u>	<u>\$6,263,492</u>	<u>\$102,254,991</u>	<u>\$707,178</u>

15. Data Control Codes - The data control codes refer to the account code structure prescribed by the Texas Education Agency (the “Agency”) in the *Financial Accountability System Resource Guide*. The Agency 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.

F. Implementation of New Standards

GASB No. 84 – Fiduciary Activities. This pronouncement 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 post-employment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establish 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 in the special revenue fund as well as in the custodial fund to establish the beginning balance. Net position related to governmental activities is also restated.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.

Exhibit C-2 “Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position” provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial

resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. Also, the property taxes receivable which is included as unavailable revenue in the fund financial statements are adjusted based on when the tax levy was made and adjusted for uncollectible amounts. Also included are all of the adjustments required by GASB 68 and GASB 75.

Exhibit C-4 “Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities” provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in the net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The debt payments on the retirement of debt are recorded as expenditures for fund-basis financial statements but are a reduction of debt in the government-wide financial statements. The capital asset additions are expenditures in the fund-basis financial statements but capitalized in the government-wide financial statements. The fund-basis financial statements do not include depreciation expense. The depreciation expense is a deduction to reconcile to the government-wide statement of activities. New debt issues are treated as sources of revenue for fund-basis financial statements, but for the government-wide statements, those amounts are recorded as a liability. Property taxes are adjusted for the accrual basis and the unavailable revenues are adjusted based on prior year levies and current year uncollectable amounts. Also included are all of the adjustments required by GASB 68 and GASB 75.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Board of Trustees adopts an “appropriated budget” for the General Fund, Child Nutrition Program, and the Debt Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The general fund budget report appears in Exhibit G-1 “Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund” and the other two reports are in Exhibit J-2 “Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Child Nutrition Program” and J-3 “Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Debt Service Fund”.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. On or before the date set by the State Board of Education, the District prepares a proposed budget covering all estimated revenue and proposed expenditures for the following fiscal year beginning September 1.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notices of the meeting must be given.

3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can be amended at the function and fund level by approval of a majority of the members of the Board. Changes can be made to the budget in any detail within the function level without an amendment approved by the Board. During the year, several budget amendments were made with Board approval. Most amendments were for carryover funding; mid-year adjustment of operating costs; and year-end adjustments to expenditures based on the latest information concerning operating cost. All budget appropriations lapse at year-end.

	Original Budget Appropriations	Increase (Decrease)	Amended Budget Appropriations
General Fund – Exhibit G-1	\$25,595,346	\$415,000	\$26,010,346
Child Nutrition Program – Exhibit J-2	1,367,273	100,000	1,467,273
Debt Service Fund – Exhibit J-3	4,996,982	0	4,996,982

Major amendments to the General Fund were to increase Functions 51 – Facilities Maintenance & Operation by \$125,000 for projects not included in the original budget. Function 93 – Payments to Fiscal Agent/Member Districts of SSA was increased by \$300,000 for increased cost of SSA operations.

4. Each budget is controlled at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	August 31, 2021 Fund Balance
Appropriated Budgeted Funds – National Breakfast & Lunch Program	\$ 31,566
Non-appropriated Budgeted Funds	675,612
All Special Revenue Funds	<u>\$707,178</u>

B. Excess of Expenditures over Appropriations

No excess of expenditures over appropriations existed for the year ended August 31, 2021.

C. Deficit Fund Equity

There were no deficit fund equities for the year ended August 31, 2021.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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.

Depository information is as follows:

- Depository bank: Wells Fargo Bank
- Highest combined balance: \$6,602,667
- Date of highest combined balance: March 3, 2021
- Amount of FDIC insurance: \$564,981
- Amount of pledged securities: \$3,100,757

On the date of highest combined balance the District funds were under-secured by \$2,936,929 and was exposed to possible custodial credit risk for deposits.

The District's cash and cash equivalents, considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. On August 31, 2021, the carrying value of the District's deposits was \$2,392,903 and the bank balance was \$2,925,697. The District's cash deposits on August 31, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The District does not have any cash or cash equivalents in foreign currency; therefore, there is no foreign currency risk.

B. Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of returns, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. The District maintains an investment policy that authorizes the District to invest in obligations of U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements, and the State Treasurer's investment pool or similar public investment pools. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy.

The District's investments at August 31, 2021, are shown below:

<u>Investments</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Weighted Average Maturity (Days)</u>
TexPool – AAAM	\$105,836,210	\$105,836,210	94.3%	On demand
Municipal bonds	3,284,126	3,284,126	2.9%	On demand
TexasDaily - AAAM	3,002,614	3,002,614	2.7%	On demand
Savings/money market	65,284	65,284	0.1%	On demand
	<u>\$112,188,234</u>	<u>\$112,188,234</u>	<u>100.0%</u>	

Custodial Credit Risk – Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District's investments are not exposed to custodial risk. External investment pools are not subject to custodial risk because investments are not evidenced by securities that exist in physical or book entry form. State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. District investments are not exposed to custodial credit risk.

Credit Risk – This is the risk that a security issuer may default on interest or principal payment. State law limits investment in local government pools to those that are rated AAA or equivalent by at least one Nationally Recognized Statistical Rating Organization (NRSRO). The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by agencies such as Standard and Poor's (S&P) or Moody's Investors Service, or by investing in public fund investment pools rated no lower than AAA or AAAM.

Interest-rate Risk – This type of risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The District's investment policy does not allow the purchase of investments that would expose the District to interest-rate risk.

Concentration of Credit Risk – This type of risk is defined as positions of 5 percent or more in securities of a single issuer. The District is not exposed to the concentration of credit risk because the investment portfolio mainly consists of external investment pools.

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

C. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real property and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable with the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

The Board establishes the District's property tax rates annually. The authorized tax rates for property taxes assessed on January 1, 2020, were \$0.9664 and \$0.5000 per \$100 for the General Fund and Debt Service Fund, respectively, based on a net assessed valuation of \$1,017,179,624.

The District has not entered into any tax abatement agreements in compliance with Tax Code Chapter 312.

The legally authorized tax rate limit for the District is \$1.17 per \$100 assessed valuation for maintenance and operations. On January 1 of each year, a tax lien attaches to property to secure the payment of penalties imposed. Property tax revenues are considered available when they

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

become due or past due and receivable within the current period and those expected to collect during the 60-day period after the close of the District's fiscal year.

Delinquent taxes are prorated between the General Fund and Debt Service Fund based rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes.

Delinquent taxes receivables and the related allowance for uncollectible taxes in the governmental fund financial statements as of August 31, 2021, are as follows:

	Property Taxes - Delinquent	Allowance for Uncollectible Taxes	Unavailable Revenue – Property Taxes
General Fund	\$402,997	\$(4,030)	\$398,967
Debt Service Fund	153,879	(1,539)	152,340
Totals	<u>\$556,876</u>	<u>\$(5,569)</u>	<u>\$551,307</u>

Current tax collections for the levy year ended August 31, 2021, were 98.8% of the year-end adjusted tax levy.

Uncollectible personal property taxes are periodically reviewed and written off by the District. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

The District has an agreement with Johnson County Tax Office ("County") whereby the County bills and collects the District's property taxes.

D. Disaggregation of Receivables and Payables

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

There are no significant receivables that are not scheduled for collection within one year of August 31, 2021.

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

E. Receivables from Other Governments

Receivables from other governments, as of August 31, 2021, are as follow:

	Due from State
General Fund	\$1,968,644
ESSER II Grant	846,504
ESSER III Grant	1,380,062
Special Revenue Funds:	
ESEA I, A – Improving Basic Programs	50,177
National Breakfast & Lunch Program	157,733
Career & Technical – Basic Grant	162
ESEA II, A – Training & Recruiting	6,926
Title III, A – English Language Acquisition	17,470
ESSER III Supplemental Grant	398,925
Other Federal Special Revenue Funds	13,448
SSA IDEA, Part B Formula	102,283
SSA IDEA, Part B Preschool	5,096
State Instructional Material	161,787
Total Special Revenue Funds	914,007
Total Receivables from Other Governments	\$5,109,217

F. Interfund Receivables and Payables

The following is a summary of amounts due to and due from other funds:

	Due From Other Funds	Due To Other Funds
General Fund	\$3,018,107	
Special Revenue Funds:		
ESEA I, A – Improving Basic Programs		\$ 19,792
National Breakfast & Lunch Program		140,670
Career & Technical – Basic Grant		162
ESEA II, A – Training & Recruiting		6,926
Title III, A – English Language Acquisition		17,470
ESSER II Grant		846,504
ESSER III Grant		1,276,696
ESSER III Supplemental Grant		447,218
Other Federal Special Revenue Funds		13,448
State Instructional Materials		169,187
Total Special Revenue Funds		2,938,073
Capital Projects Fund		32,291
Proprietary Funds – Enterprise Fund		37,279
Fiduciary Fund – Private Purpose Trust Fund		10,464
Sub-totals	\$3,018,107	\$3,018,107

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

Special Revenue Funds:		
National Breakfast & Lunch Program	\$13,963	
ESSER III Supplemental Fund	48,293	
SSA IDEA, Part B – Formula	192,564	
SSA IDEA, Part B – Formula		192,564
SSA IDEA, Part B – Preschool	12,655	
SSA IDEA, Part B – Preschool		12,655
SSA Special Education	225,276	187,051
ESSER III Grant		100,331
Other SSA Special Revenue Funds	292	
Other SSA Special Revenue Funds		292
General Fund		30
Campus Activity Funds		120
Sub-totals	<u>\$493,043</u>	<u>\$493,043</u>
Debt Service Fund		
General Fund	<u>\$41,107</u>	<u>\$41,107</u>
Capital Project Fund		
General Fund	\$1,502,021	\$1,501,754
Capital Project Fund		267
Sub-total	<u>\$1,502,021</u>	<u>\$1,502,021</u>
Proprietary Funds:		
Enterprise Funds	<u>\$1,287</u>	<u>\$1,287</u>
SSA Special Education		
Internal Service Fund	<u>\$434</u>	<u>\$434</u>
SSA Special Education		
Fiduciary Funds:		
Private Purpose Funds	<u>\$ 7</u>	<u>\$ 7</u>
National Breakfast & Lunch Program		
Custodial Funds	\$293	\$140
General Fund		153
National Breakfast & Lunch Program		
Sub-totals	<u>\$293</u>	<u>\$293</u>

Interfund receivables and payables generally arise from interfund loans between different funds with balances being repaid generally within one year.

G. Interfund Transfers

The General Fund transferred \$834 to the National Breakfast & Lunch Program to supplement the operations of this program. The Capital Projects Fund transferred \$1,096,640 to the Debt Service Fund for reimbursement of funds related to bond issuance.

H. Other Financing Sources (Uses)

The District had the following financing sources and (uses) during the year:

Capital Projects Fund:	
Capital related debt issued	\$93,680,000
Premium or discount on issuance of bonds	8,242,392
Total	<u>\$14,701,174</u>

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

I. Special Items/Extraordinary Items

There were no special items/extraordinary items during the year.

J. Operating Leases

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$95,817 for the year. The future minimum lease payments for active operating leases are summarized below:

Year Ending August 31	Amount
2022	\$85,319
2023	71,035
2024	63,516
2025	58,223
Thereafter	

K. Capital Asset Activity

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

	Beginning Balance	Increases/ Adjustments	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,258,692	\$1,262,241	\$ 0	\$4,520,933
Construction in Progress	4,051,591	1,556,311	4,051,591	1,556,311
Total Capital Assets, not being depreciated	7,310,283	2,818,552	4,051,591	6,077,244
Capital assets, being depreciated:				
Buildings and improvements	90,384,998	5,869,197	0	96,254,195
Furniture and equipment	7,052,930	622,095	0	7,675,025
Total capital assets, being depreciated	97,437,928	6,491,292	0	103,929,220
Less accumulated depreciation for:				
Buildings and improvements	17,378,264	1,521,901	0	18,900,165
Furniture and equipment	4,679,583	477,931	0	5,157,514
Total accumulated depreciation	22,057,847	1,999,832	0	24,057,679
Governmental activities capital assets, net	\$82,690,364	\$7,310,012	\$4,051,591	\$85,948,785

The District purchased approximately 312 acres of land for future expansion. The new Godley Ag Facility was completed and added to District assets. Furniture and equipment additions included various improvements within the District plus purchase of equipment.

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

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

Governmental activities:	
11 – Instruction	\$1,224,997
12 – Instruction Resources & Media Services	24,535
23 – School Leadership	7,050
34 – Student (Pupil) Transportation	371,495
35 – Food Services	33,796
36 – Extracurricular Activities	244,774
41 – General Administration	2,214
51 – Plant Maintenance & Operations	89,717
53 – Data Processing Services	1,254
Total Depreciation Expense	<u>\$1,999,832</u>

Building and improvement expenditures were for completion of projects on the Godley High School. Furniture and equipment expenditures were for school buses and other vehicles, maintenance equipment, and band equipment.

L. Construction Commitments

Construction in progress is primarily architect fees with no contracts issued to date.

M. Long-Term Debt

Long-term debt of the District is comprised of bonds payable, accreted interest, premium on bonds, compensated absences, and net pension liability. Debt service requirements for general obligation bonds are payable from fund balance and future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, state funding, and interest earnings.

The following is a summary of changes in long-term debt for government activities for the year ended August 31, 2021.

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable	\$71,090,000	\$ 93,680,000	\$1,485,000	\$163,285,000	\$1,565,000
Premium on bonds	7,788,379	8,242,392	709,720	15,321,051	0
Loan payable	293,561	0	64,942	228,619	67,413
Sub-totals	79,171,940	101,922,392	2,259,662	178,834,670	1,632,413
Net pension liability	7,316,655	360,004	549,097	7,127,562	0
Net OPEB liability	10,326,235	0	1,469,967	8,856,268	0
Totals	<u>\$96,814,830</u>	<u>\$102,282,396</u>	<u>\$4,278,726</u>	<u>\$194,818,500</u>	<u>\$1,632,413</u>

N. Bonds Payable

Bonded indebtedness of the District is reflected in the statement of net position. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund in the fund financial statements.

The District issued \$93,680,000 in Unlimited Tax School Building Bonds, Series 2021 for (1) the construction, renovation, acquisition, and equipment of school buildings in the District, including the acquisition of land therefor, the acquisition of new school buses, the retrofitting of school buses

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

with emergency, safety or security equipment, and the purchase or retrofitting of vehicles to be used for emergency, safety or security purposes and (2) to pay costs associated with the issuance of the Bonds.

A summary of changes in general obligation bonds for the year ended August 31, 2021, are as follows:

Issue/Maturity Date	Interest Rates Payable	Amounts Original Issue	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Series 2015 UTR Bonds/2033	2.0%/5.0%	25,615,000	\$23,335,000	\$ 0	\$1,115,000	\$ 22,220,000	\$1,185,000
Series 2015A UTR Bonds/2030	2.0%/4.0%	4,100,000	2,350,000	0	370,000	1,980,000	380,000
Series 2016 UTSB Bonds/2043	3.5%/4.0%	32,180,000	32,180,000	0	0	32,180,000	0
Series 2019 UTSB Bonds/2047	4%	13,225,000	13,225,000	0	0	13,225,000	0
Series 2021 UTSB Bonds/2051	3.0%/5.0%	96,380,000	0	96,380,000	0	93,680,000	
Totals			\$71,090,000	\$96,380,000	\$1,485,000	\$163,285,000	\$1,565,000

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds.

Year Ended August 31	Principal	Interest	Total Requirements
2022	\$ 1,565,000	\$ 5,948,259	\$ 7,513,259
2023	1,615,000	5,740,563	7,355,563
2024	1,690,000	5,660,013	7,350,013
2025	1,775,000	5,575,363	7,350,363
2026	1,865,000	5,486,388	7,351,388
2027-2031	13,145,000	25,761,250	38,906,250
2032-2036	21,635,000	21,940,712	43,575,712
2037-2041	30,595,000	17,300,650	47,895,650
2042-2046	39,770,000	11,136,950	50,906,950
2047-2051	49,630,000	3,861,725	53,491,725
Totals	\$163,285,000	\$108,411,873	\$271,696,873

Interest and fees paid on general obligation bonds during the year were \$3,001,970.

There are numerous limitations and restrictions contained in the various general obligation bond indentures. The District has complied with all significant limitations and restrictions as of August 31, 2021.

O. Defeasance of Debt

In prior years, the District issued refunding bonds for the purpose of restructuring debt cash flow requirements. Proceeds from the refunding bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. The old bonds are considered defeased, and accordingly, the trust account assets and liabilities are not included in the District's financial statements. On August 31, 2021, \$27,805,000 of bonds considered defeased are still outstanding.

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

P. Loan Payables

On October 31, 2019, the District entered into a loan agreement in the amount of \$340,701 to provide funding for lighting retrofit throughout the District.

Issue/Maturity Date	Interest Rates Payable	Amounts Original Issue	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
2019/2025	3.74%	\$340,701	\$293,561	\$0	\$64,942	\$228,619	\$67,413

Year Ended August 31	Principal	Interest	Total Requirements
2022	\$ 67,413	\$ 7,403	\$ 74,816
2023	69,978	4,838	74,816
2024	72,640	2,175	74,815
2025	18,588	116	18,704
Totals	\$228,619	\$14,532	\$243,151

Q. Revenue from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Other Funds	Totals
Property taxes	\$ 9,860,498	\$5,098,529	\$ 0	\$ 0	\$14,959,027
Food sales	0	0	0	179,270	179,270
Penalties, interest & other tax related income	97,112	43,027	0	0	140,139
SSA – local revenue from members	0	0	0	3,018,128	3,018,128
Tuition & fees	57,206	0	0	0	57,206
Earnings – temporary deposits & investments	21,162	11,142	16,294	603	49,201
Rent	100	0	0	0	100
Foundations, Gifts & Bequest	0	0	0	34,681	34,861
Other revenues from local sources	104,996	4,597	0	102,919	212,512
Athletic activities	64,375	0	0	0	64,375
Total	\$10,205,449	\$5,157,295	\$16,294	\$3,335,601	\$18,714,819

R. State Aid Revenue

The District receives state revenues from TEA based upon the application of formula allocations, on behalf allocations, and other state miscellaneous programs. The components of state program revenues as shown in the governmental fund financial statements are as follows:

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

	General Fund	Debt Service Fund	Other Funds	Fund Totals
Per Capita Apportionment	\$ 1,067,785	\$ 0	\$ 0	\$ 1,067,785
Foundation School Prg. Act Entitlements	11,304,988	0	0	11,304,988
Other Foundation School Program Act	24,154	0	0	24,154
TRS On-behalf Payments	1,242,198	0	204,380	1,446,578
TRS Medicare Part-D	89,155	0	14	89,169
State Revenues from State	0	42,107	361,545	403,652
SSA - State Revenues from Fiscal Agent	0	0	3,263	3,263
Total	<u>\$13,728,280</u>	<u>\$42,107</u>	<u>\$569,202</u>	<u>\$14,339,589</u>

S. Federal Program Revenues

The District receives federal program revenues for various programs as follows:

Revenues	General Fund	ESSER II Grant	ESSER III Grant	Other Funds
School Health & Related Services (SHARS)	\$339,012	\$ 0	\$ 0	\$ 0
Federal Revenues Distributed by TEA	375,308	0	0	0
U. S. Department of Education – Passed Through	0	997,972	1,194,487	2,071,385
U. S. Department of Agriculture – Passed Through	0	0	0	1,140,190
Totals	<u>\$714,320</u>	<u>\$997,972</u>	<u>\$1,194,487</u>	<u>\$3,211,575</u>

T. Employee Benefits

Compensated Absences

Vacations are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability has been accrued in the accompanying financial statements. Employees of the District are also entitled to sick leave based on category/class of employment. Sick leave accumulates but does not vest. Therefore, a liability for unused sick leave has not been recorded in either the government-wide financial statements or the governmental fund financial statements.

U. Defined Benefit Pension Plan

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

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

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

Benefits Provided - TRS 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 the date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) 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.

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

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

Current fiscal year Employer Contributions	\$574,296
Current fiscal year Member Contributions	\$1,525,624
2020 measurement date NECE On-behalf Contributions	\$1,098,710

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.

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

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

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

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

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

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

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

Asset Class	FY 2019 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%)
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources	6.00%	6.00%	0.42%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	(1.50%)	(0.03%)
Asset Allocation Leverage	(6.00%)	(1.30%)	0.08%
Inflation Expectation			2.00%
Volatility Drag (3)			(0.67%)
Expected Return	100.00%		7.33%

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Exhibit F-1

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

(2) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

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

Discount Rate Sensitivity Analysis - The following table presents the Net Pension Liability 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 percent point higher (8.25 percent) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$10,990,573	\$7,127,562	\$3,988,950

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – On August 31, 2021, the District reported a liability of \$7,127,562 for its 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	\$ 7,127,562
State's proportionate share that is associated with District	14,261,850
Total	\$21,389,412

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

On August 31, 2020, the employer's proportion of the collective net pension liability was 0.0133081281% which was a decrease of 0.0007669301% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2021, the District recognized pension expense of \$2,909,773 and revenue of \$1,715,384 for support provided by the State.

On 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:

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Exhibit F-1

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 13,014	\$ 198,911
Changes in actuarial assumptions	1,653,848	703,205
Difference between projected and actual investment earnings	144,292	0
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	547,204	292,502
Total as of August 31, 2020 measurement date	2,358,358	1,194,618
Contributions paid to TRS subsequent to the measurement date	574,296	0
Total	<u>\$2,932,654</u>	<u>\$1,194,618</u>

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

Fiscal Year ended August 31	Pension Expense Amount
2022	\$334,804
2023	405,501
2024	385,331
2025	148,022
2026	(92,506)
Thereafter	(17,412)

V. 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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided - TRS-Care provides health insurance coverage to retirees from public 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.

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Exhibit F-1

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

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

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

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2020	2021
Active Employee	0.65%	0.65%
Non-employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year Employer Contributions		\$175,949
Current fiscal year Member Contributions		\$128,787
2020 measurement year NECE On-Behalf Contributions		\$237,942

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

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

GODLEY INDEPENDENT SCHOOL DISTRICT
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Exhibit F-1

Actuarial Assumptions - The actuarial valuation was performed as 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 following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020.

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

Additional Actuarial Methods and Assumptions:

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

Discount Rate - A single discount rate of 2.33% 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 non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Discount Rate Sensitivity Analysis - The following schedule shows the impact of the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (2.33%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District’s proportionate share of the net OPEB liability:	\$10,627,501	\$8,856,268	\$7,457,248

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs – On August 31, 2021, the District reported a liability of \$8,856,268 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	\$ 8,856,268
State's proportionate share that is associated with District	11,900,701
Total	<u>\$20,756,969</u>

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

On August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.0232970687%, which was an increase of 0.0014616543% over its proportion measured as of August 31, 2019.

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 rate assume.

	1% Decrease in Healthcare Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the Net OPEB liability:	<u>\$7,234,436</u>	<u>\$8,856,268</u>	<u>\$11,016,318</u>

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 change 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 increased 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 OPEB expense of \$125,122 and revenue of \$(82,634) for support provided by the State.

GODLEY INDEPENDENT SCHOOL DISTRICT
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Exhibit F-1

On 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 actuarial experience	\$ 463,711	\$4,053,081
Changes in actuarial assumptions	546,248	2,431,977
Difference between projected and actual investment earnings	2,878	0
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,374,997	0
Total as of August 31, 2020 measurement date	3,387,834	6,485,058
Contributions paid to TRS subsequent to the measurement date	175,949	0
Total	\$3,563,783	\$6,485,058

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

Year ended August 31	OPEB Expense Amount
2022	\$(579,735)
2023	(580,119)
2024	(580,339)
2025	(580,279)
2026	(343,726)
Thereafter	(433,026)

W. Medicare Part D Coverage

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 \$89,155, \$79,381, and \$56,651, respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

X. Active Employee Health Care Coverage

The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. The plan is authorized by the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and by the Texas Administrative Code, Title 34, Part 3, Chapter 41. The District contributed approximately \$325 per month per participant to the plan, and employees, at their option, authorized payroll withholdings to pay employee contributions and additional premiums for dependents. The TRS

issues a publicly available financial report that includes financial statements and required supplementary information for TRS ActiveCare. That report may be obtained by visiting the TRS Website at www.trs.state.tx.us, by writing the Communications Department of Texas Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling (800) 223-8778.

Y. Commitments and Contingencies

1. State and Federal Grants

Minimum foundation funding received from TEA is based primarily on information concerning average daily attendance at the District's schools which is compiled by the District and supplied to TEA. Federal funding for Food Service under child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported to the United States Department of Agriculture ("USDA"). Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies.

These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's administration, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the accompanying financial statements for such contingencies.

2. Litigation

The District is not a party in any litigation.

Z. Risk Management

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

AA. Joint Venture-Shared Service Arrangements

The District is fiscal agent for a Special Education Shared Service Arrangement ("SSA") that provides special education programs and alternative school programs for member districts. In addition to the District, other member districts include the following independent school districts: Grandview, Keene, and Rio Vista. The District as a fiscal agent provides all services to member districts. The member districts provide funds to the fiscal agent.

The District accounts for this SSA in Special Revenue Fund 437 – SSA, Special Education. The District as fiscal agent, manages the SSA's financial matters, including budgeting, accounting, auditing, and reporting. Certain management decisions may be made by an executive board or

committee of participating members. The District records the receipt of the member's monies and state and federal funding and the related disbursement activity in the SSA special revenue fund. At year's end, the District informs the members of the SSA's activities and their share of expenditures. The District allocates expenditures of the SSA based on predetermined allocation rates. None of the members are accumulating significant financial resources nor fiscal exigencies that would give rise to future additional benefits or burdens.

As fiscal agent for this program, the District also receives Federal funds that are reported in the following SSA funds: Fund 313 – IDEA, Part B, Formula and Fund 314 – IDEA, Part B, Preschool.

AB. Evaluation of Subsequent Events

The District has evaluated subsequent events through January 24, 2022, the date which the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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GODLEY INDEPENDENT SCHOOL DISTRICT
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		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 10,072,774	\$ 10,072,774	\$ 10,205,449	\$ 132,675
5800	State Program Revenues	14,988,067	14,988,067	13,728,280	(1,259,787)
5900	Federal Program Revenues	291,250	291,250	714,320	423,070
5020	Total Revenues	25,352,091	25,352,091	24,648,049	(704,042)
EXPENDITURES:					
Current:					
0011	Instruction	13,658,559	13,454,559	12,971,724	482,835
0012	Instructional Resources and Media Services	256,392	296,392	275,964	20,428
0013	Curriculum and Instructional Staff Development	457,211	487,211	324,212	162,999
0021	Instructional Leadership	225,372	255,372	232,316	23,056
0023	School Leadership	1,474,305	1,459,305	1,451,056	8,249
0031	Guidance, Counseling, and Evaluation Services	651,384	676,384	646,862	29,522
0032	Social Work Services	98,829	88,829	77,233	11,596
0033	Health Services	278,737	328,737	272,828	55,909
0034	Student (Pupil) Transportation	1,059,220	1,049,220	757,953	291,267
0036	Extracurricular Activities	1,085,513	1,039,513	1,021,909	17,604
0041	General Administration	1,327,741	1,377,741	1,310,390	67,351
0051	Facilities Maintenance and Operations	2,706,374	2,831,374	2,750,808	80,566
0052	Security and Monitoring Services	135,500	145,500	114,096	31,404
0053	Data Processing Services	827,864	867,864	806,430	61,434
0061	Community Services	3,000	3,000	-	3,000
Debt Service:					
0071	Principal on Long-Term Debt	64,943	64,943	64,942	1
0072	Interest on Long-Term Debt	9,874	9,874	9,873	1
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	1,076,528	1,376,528	1,376,528	-
0099	Other Intergovernmental Charges	198,000	198,000	186,118	11,882
6030	Total Expenditures	25,595,346	26,010,346	24,651,242	1,359,104
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,255)	(658,255)	(3,193)	655,062
OTHER FINANCING SOURCES (USES):					
8911	Transfers Out (Use)	-	-	(834)	(834)
1200	Net Change in Fund Balances	(243,255)	(658,255)	(4,027)	654,228
0100	Fund Balance - September 1 (Beginning)	9,370,432	9,370,432	9,370,432	-
3000	Fund Balance - August 31 (Ending)	\$ 9,127,177	\$ 8,712,177	\$ 9,366,405	\$ 654,228

GODLEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.013308128%	0.014075058%	0.012696204%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 7,127,562	\$ 7,316,655	\$ 6,988,299
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	14,261,850	12,383,462	12,249,653
Total	<u>\$ 21,389,412</u>	<u>\$ 19,700,117</u>	<u>\$ 19,237,952</u>
District's Covered Payroll	\$ 18,454,537	\$ 16,520,785	\$ 14,633,641
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	38.62%	44.29%	47.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
0.0125765%		0.0126516%		0.01305%		0.0086918%	
\$	4,021,294	\$	4,780,859	\$	4,613,001	\$	2,321,700
7,231,754		9,247,315		8,559,630		7,014,039	
\$	11,253,048	\$	14,028,174	\$	13,172,631	\$	9,335,739
\$	14,234,206	\$	14,419,582	\$	13,583,116	\$	12,775,498
28.25%		33.16%		33.96%		18.17%	
82.17%		78.00%		78.43%		83.25%	

GODLEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 574,296	\$ 568,510	\$ 490,776
Contribution in Relation to the Contractually Required Contribution	(574,296)	(568,510)	(490,776)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 19,813,255	\$ 18,454,537	\$ 16,520,785
Contributions as a Percentage of Covered Payroll	2.90%	3.08%	2.97%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

2018		2017		2016		2015	
\$	427,703	\$	412,185	\$	401,978	\$	386,417
	(427,703)		(412,185)		(401,978)		(386,417)
\$	-	\$	-	\$	-	\$	-
\$	14,633,641	\$	14,234,206	\$	14,419,582	\$	13,583,116
	2.92%		2.90%		2.79%		2.84%

GODLEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.023297069%	0.021835414%	0.019497227%	0.0184647%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 8,856,268	\$ 10,326,235	\$ 9,735,144	\$ 8,029,590
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	11,900,701	13,721,256	12,160,247	10,866,811
Total	<u>\$ 20,756,969</u>	<u>\$ 24,047,491</u>	<u>\$ 21,895,391</u>	<u>\$ 18,896,401</u>
District's Covered Payroll	\$ 18,454,537	\$ 16,520,785	\$ 14,633,641	\$ 14,234,206
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	47.99%	62.50%	66.53%	56.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

GODLEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 175,949	\$ 177,051	\$ 154,488	\$ 124,873
Contribution in Relation to the Contractually Required Contribution	(175,949)	(177,051)	(154,488)	(124,873)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 19,813,255	\$ 18,454,537	\$ 16,520,785	\$ 14,633,641
Contributions as a Percentage of Covered Payroll	0.89%	0.96%	0.94%	0.85%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

A. Notes to Schedule for the TRS Pension

Changes in Benefit terms

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

Changes in Assumptions

There were no changes in the actuarial assumptions used in the determination of the total pension liability during the measurement period.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefit

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

Changes in Assumption

The following were changes to the actuarial assumptions or other inputs that affected the measurement of 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 change 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.

COMBINING SCHEDULES

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

Data Control Codes		211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	50,177	157,733	162	6,926
1260	Due from Other Funds	-	13,963	-	-
1290	Other Receivables	-	700	-	-
1300	Inventories	-	1,156	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ 50,177</u>	<u>\$ 173,552</u>	<u>\$ 162</u>	<u>\$ 6,926</u>
LIABILITIES					
2160	Accrued Wages Payable	\$ 30,385	\$ -	\$ -	\$ -
2170	Due to Other Funds	19,792	140,830	162	6,926
2300	Unearned Revenue	-	1,156	-	-
2000	Total Liabilities	<u>50,177</u>	<u>141,986</u>	<u>162</u>	<u>6,926</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3430	Prepaid Items	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	31,566	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>31,566</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 50,177</u>	<u>\$ 173,552</u>	<u>\$ 162</u>	<u>\$ 6,926</u>

263 Title III, A English Lang Acquisition	266 ESSER -School Emergency Relief	276 Instructional Continuity Grant	277 Coronavirus Relief Fund CARES	283 ESSER III Supplemental Grant	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
17,470	-	-	-	398,925	13,448	102,283	5,096
-	-	-	-	48,293	-	192,564	12,655
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 17,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,218</u>	<u>\$ 13,448</u>	<u>\$ 294,847</u>	<u>\$ 17,751</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,283	\$ 5,096
17,470	-	-	-	447,218	13,448	192,564	12,655
-	-	-	-	-	-	-	-
<u>17,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447,218</u>	<u>13,448</u>	<u>294,847</u>	<u>17,751</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 17,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,218</u>	<u>\$ 13,448</u>	<u>\$ 294,847</u>	<u>\$ 17,751</u>

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

Data Control Codes		410	429	437	459
		State	Other State	SSA	Other SSA
		Instructional	Special	Special	Special
		Materials	Revenue Funds	Education	Revenue Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 65,403	\$ -
1120	Investments - Current	-	-	644,587	-
1240	Due from Other Governments	161,787	-	-	-
1260	Due from Other Funds	-	-	225,276	292
1290	Other Receivables	7,400	-	31,945	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	3,669	-
1000	Total Assets	<u>\$ 169,187</u>	<u>\$ -</u>	<u>\$ 970,880</u>	<u>\$ 292</u>
LIABILITIES					
2160	Accrued Wages Payable	\$ -	\$ -	\$ 245,209	\$ -
2170	Due to Other Funds	169,187	-	188,772	292
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>169,187</u>	<u>-</u>	<u>433,981</u>	<u>292</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3430	Prepaid Items	-	-	3,669	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	533,230	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>536,899</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 169,187</u>	<u>\$ -</u>	<u>\$ 970,880</u>	<u>\$ 292</u>

461 Campus Activity Funds	Total Nonmajor Governmental Funds
\$ 138,833	\$ 204,236
-	644,587
-	914,007
-	493,043
-	40,045
-	1,156
-	3,669
<u>\$ 138,833</u>	<u>\$ 2,300,743</u>
\$ -	\$ 382,973
120	1,209,436
-	1,156
<u>120</u>	<u>1,593,565</u>
-	3,669
-	564,796
138,713	138,713
<u>138,713</u>	<u>707,178</u>
<u>\$ 138,833</u>	<u>\$ 2,300,743</u>

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

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ 179,299	\$ -	\$ -
5800 State Program Revenues	-	39,991	-	-
5900 Federal Program Revenues	390,684	1,140,190	18,328	49,349
5020 Total Revenues	390,684	1,359,480	18,328	49,349
EXPENDITURES:				
Current:				
0011 Instruction	335,234	-	18,328	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	51,346	-	-	49,349
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0034 Student (Pupil) Transportation	4,104	-	-	-
0035 Food Services	-	1,328,748	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	390,684	1,328,748	18,328	49,349
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	30,732	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	834	-	-
1200 Net Change in Fund Balance	-	31,566	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 31,566	\$ -	\$ -

263 Title III, A English Lang Acquisition	266 ESSER -School Emergency Relief	276 Instructional Continuity Grant	277 Coronavirus Relief Fund CARES	283 ESSER III Supplemental Grant	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
24,684	5,531	7,981	22,755	345,282	29,824	1,045,690	75,350
24,684	5,531	7,981	22,755	345,282	29,824	1,045,690	75,350
7,875	5,531	7,981	22,755	238,331	29,824	369,794	75,350
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	51,644	-
-	-	-	-	-	-	-	-
16,809	-	-	-	-	-	624,252	-
-	-	-	-	-	-	-	-
-	-	-	-	106,951	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24,684	5,531	7,981	22,755	345,282	29,824	1,045,690	75,350
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Data Control Codes	410 State Instructional Materials	429 Other State Special Revenue Funds	437 SSA Special Education	459 Other SSA Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 3,018,702	\$ -
5800 State Program Revenues	130,598	4,000	315,478	79,135
5900 Federal Program Revenues	-	-	55,927	-
5020 Total Revenues	130,598	4,000	3,390,107	79,135
EXPENDITURES:				
Current:				
0011 Instruction	130,598	4,000	2,033,076	48,241
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	352,829	-
0023 School Leadership	-	-	14,768	-
0031 Guidance, Counseling, and Evaluation Services	-	-	357,845	27,631
0032 Social Work Services	-	-	-	3,263
0034 Student (Pupil) Transportation	-	-	345,964	-
0035 Food Services	-	-	-	-
0041 General Administration	-	-	9,396	-
0051 Facilities Maintenance and Operations	-	-	103,556	-
0052 Security and Monitoring Services	-	-	237	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	5,000	-
6030 Total Expenditures	130,598	4,000	3,222,671	79,135
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	167,436	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	167,436	-
0100 Fund Balance - September 1 (Beginning)	-	-	369,463	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 536,899	\$ -

461		Total	
Campus		Nonmajor	
Activity		Governmental	
Funds		Funds	
\$	137,600	\$	3,335,601
	-		569,202
	-		3,211,575
	137,600		7,116,378
	50,419		3,377,337
	14,097		14,097
	-		100,695
	-		404,473
	13,970		28,738
	-		1,026,537
	-		3,263
	227		457,246
	-		1,328,748
	-		9,396
	-		103,556
	-		237
	-		5,000
	78,713		6,859,323
	58,887		257,055
	-		834
	58,887		257,889
	79,826		449,289
\$	138,713	\$	707,178

GODLEY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 AUGUST 31, 2021

	865 Custodial Fund Student Activity Acct	877 District Chair 7-AAAA Fund	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 155,340	\$ -	\$ 155,340
Due from Other Funds	293	-	293
Total Assets	<u>155,633</u>	<u>-</u>	<u>155,633</u>
NET POSITION			
Restricted for Other Purposes	155,633	-	155,633
Total Net Position	<u><u>\$ 155,633</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 155,633</u></u>

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

	865 Custodial Fund Student Activity Acct	877 District Chair 7-AAAA Fund	Total Custodial Funds
ADDITIONS:			
Enterprising Services Revenue	\$ 309,028	\$ -	\$ 309,028
Miscellaneous Additions	-	1,250	1,250
Total Additions	<u>309,028</u>	<u>1,250</u>	<u>310,278</u>
DEDUCTIONS:			
Payroll Costs	-	1,250	1,250
Supplies and Materials	240,887	-	240,887
Total Deductions	<u>240,887</u>	<u>1,250</u>	<u>242,137</u>
Change in Net Position	68,141	-	68,141
Net Position - September 1 (Beginning)	<u>87,492</u>	<u>-</u>	<u>87,492</u>
Net Position - August 31 (Ending)	<u><u>\$ 155,633</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 155,633</u></u>

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REQUIRED TEXAS EDUCATION AGENCY SCHEDULES

GODLEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ 5,818,547,612
2013	0.941500	0.187200	1,209,597,590
2014	0.941500	0.231252	1,034,699,638
2015	0.941500	0.274460	1,013,416,729
2016	0.973200	0.500000	940,600,885
2017	1.040000	0.500000	761,222,792
2018	1.040000	0.500000	762,935,195
2019	1.040000	0.500000	881,749,091
2020	0.970000	0.500000	984,082,721
2021 (School year under audit)	0.966400	0.500000	1,017,179,624
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 190,574	\$ -	\$ 462	\$ 96	\$ (317)	\$ 189,699
8,876	-	223	44	81	8,690
8,562	-	384	94	318	8,402
(2,580)	-	944	255	303	(3,476)
15,170	-	3,789	1,069	3,576	13,888
20,028	-	4,845	2,329	3,455	16,309
53,138	-	10,711	5,150	(10,846)	26,431
75,431	-	20,535	9,873	6,299	51,322
181,797	-	82,552	42,552	19,553	76,246
-	14,915,922	9,365,761	4,845,696	(535,100)	169,365
<u>\$ 550,996</u>	<u>\$ 14,915,922</u>	<u>\$ 9,490,206</u>	<u>\$ 4,907,158</u>	<u>\$ (512,678)</u>	<u>\$ 556,876</u>

GODLEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 385,000	\$ 385,000	\$ 179,299	\$ (205,701)
5800 State Program Revenues	30,500	30,500	39,991	9,491
5900 Federal Program Revenues	816,000	916,000	1,140,190	224,190
5020 Total Revenues	1,231,500	1,331,500	1,359,480	27,980
EXPENDITURES:				
Current:				
0035 Food Services	1,367,273	1,467,273	1,328,748	138,525
6030 Total Expenditures	1,367,273	1,467,273	1,328,748	138,525
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,773)	(135,773)	30,732	166,505
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	834	834
1200 Net Change in Fund Balances	(135,773)	(135,773)	31,566	167,339
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ (135,773)	\$ (135,773)	\$ 31,566	\$ 167,339

GODLEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 5,082,286	\$ 5,082,286	\$ 5,157,295	\$ 75,009
5800 State Program Revenues	41,636	41,636	42,107	471
5020 Total Revenues	5,123,922	5,123,922	5,199,402	75,480
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	1,485,000	1,485,000	1,485,000	-
0072 Interest on Long-Term Debt	3,501,982	3,501,982	2,996,725	505,257
0073 Bond Issuance Cost and Fees	10,000	10,000	5,245	4,755
6030 Total Expenditures	4,996,982	4,996,982	4,486,970	510,012
1100 Excess of Revenues Over Expenditures	126,940	126,940	712,432	585,492
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	1,096,640	1,096,640
1200 Net Change in Fund Balances	126,940	126,940	1,809,072	1,682,132
0100 Fund Balance - September 1 (Beginning)	4,454,420	4,454,420	4,454,420	-
3000 Fund Balance - August 31 (Ending)	\$ 4,581,360	\$ 4,581,360	\$ 6,263,492	\$ 1,682,132

GODLEY INDEPENDENT SCHOOL DISTRICT
 STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
 FOR THE YEAR ENDED AUGUST 31, 2021

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	1,874,413
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	1,170,438

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	139,958
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	105,186

**REPORT ON INTERNAL CONTROLS,
COMPLIANCE, AND FEDERAL AWARDS**

Kirk & Richardson. P.C.

Members of the American Institute of Certified Public Accountants
Governmental Audit Quality Center

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

Board of Trustees
Godley Independent School District
313 N. Pearson
Godley, Texas 76044

Members of the Board of Trustees:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Godley 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 and have issued our report thereon dated January 24, 2022.

Internal Control over Financial Reports

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 District's financial statements will not be prevented, or, detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those in charged with governance.

Our consideration of the 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 were not identified.

Compliance and Other Matters

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

determination of financial statement. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which described in the accompanying schedule of findings and questions costs as item 2021-001.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing 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 Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kirk & Richardson, P.C.

Kirk & Richardson, P.C.
Fort Worth, Texas
January 24, 2022

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Godley Independent School District
313 N. Pearson
Godley, Texas 76044

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Godley Independent School District (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 Requirement of 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 the compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance with those requirements.

2333 Gravel Dr. * P.O. Box 8342 * Fort Worth, TX 76124
Phone: (817) 451-7406 Fax: (817) 451-7597
Don Richardson, CPA * Sandhya Magar, CPA

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the 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* 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 of 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.

Kirk & Richardson, P.C.

Kirk & Richardson, P.C.
Fort Worth, Texas
January 24, 2022

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Audit Requirements for Federal Awards</i> (Uniform Guidance)?	No

Identification of major programs:

U.S. Department of Agriculture

<u>FALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	Elementary & Secondary School Emergency Relief Fund
84.425D	CRF Prior Purchase Reimbursement Program
84.425D	Elementary & Secondary School Emergency Relief Fund II
84.425U	Elementary & Secondary School Emergency Relief Fund III
84.425U	Elementary & Secondary School Emergency Relief III Supplement

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

Auditee qualified as low risk auditee?: Yes

Section II – Financial Statement Findings

2021-001 – Depository Transactions

Repeat Finding: No

Criteria: The District's depository bank must have pledged securities in an amount to secure the balance of all deposits which the District will have in the depository bank during the term of the depository contract, less all applicable Federal Deposit Insurance Corporation (FDIC) insurance.

Condition: We found that on March 3, 2021 the date of high cash balance, the District's funds with the depository bank were under-secured by \$2,936,929.

Cause: The depository bank did not provide required pledged securities to cover the District's deposits as required by the depository contract.

Effect: The District was exposed to the possible loss of funds during the time District's deposits were not adequately secured by the depository bank.

Recommendation: Procedures should be developed by the depository bank in conjunction with the District to monitor pledged securities against District funds, especially at the beginning of the calendar year when local property taxes are being paid.

District's Response

The District agrees with this finding and will follow-up with the depositor

Section III – Federal Award Findings and Questioned Costs

There were no current year findings.



GODLEY INDEPENDENT SCHOOL DISTRICT

313 N. PEARSON ST. • GODLEY, TEXAS 76044

(817) 592-4300 • FAX(817) 592-4296



**SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2021**

Not applicable.



GODLEY INDEPENDENT SCHOOL DISTRICT

313 N. PEARSON ST. • GODLEY, TEXAS 76044

(817) 592-4300 • FAX(817) 592-4296



CORRECTIVE ACTION PLAN FOR THE YEAR ENDED AUGUST 31, 2021

Contact Person: Bryan Myres, Executive Director - Finance
313 N. Pearson
Godley, Texas 76044

(817) 592-4300

CORRECTIVE ACTION PLAN:

2021-001 – Depository Transactions

The District will contact the depository bank to jointly develop procedure to monitor pledged securities against District funds on a daily basis.

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

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
DEPARTMENT OF THE TREASURY			
<u>Passed Through State Department of Education</u>			
COVID - 19 Coronavirus Relief Fund-Johnson County	21.019		\$ 16,000
COVID - 19 Coronavirus Relief Fund	21.019	52202002	6,755
Total Assistance Listing Number 21.019			22,755
Total Passed Through State Department of Education			22,755
TOTAL DEPARTMENT OF THE TREASURY			22,755
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101126911	8,174
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101126911	249,535
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101126911	30,385
Ttl I 1003 School Improvement	84.010A	21610141126911	120,000
Total Assistance Listing Number 84.010A			408,094
*SSA - IDEA - Part B, Formula	84.027	206600011269116600	15,276
*SSA - IDEA - Part B, Formula	84.027	216600011269116600	980,167
*SSA - IDEA - Part B, Formula	84.027	226600011269116600	102,283
Total Assistance Listing Number 84.027			1,097,726
Total Special Education Cluster (IDEA)			1,176,968
Career and Technical - Basic Grant	84.048	21420006126911	19,211
*SSA - IDEA - Part B, Preschool	84.173	206610011269116610	3,443
*SSA - IDEA - Part B, Preschool	84.173	216610011269116610	70,703
*SSA - IDEA - Part B, Preschool	84.173	226610011269116610	5,096
Total Assistance Listing Number 84.173			79,242
Total Special Education Cluster (IDEA)			1,176,968
Title III, Part A - English Language Acquisition	84.365A	20671001126911	507
Title III, Part A - English Language Acquisition	84.365A	21671001126911	25,010
Total Assistance Listing Number 84.365A			25,517
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20694501126911	1,213
ESEA, Title II, Part A, Teacher Principal Training	84.367A	21694501126911	50,528
Total Assistance Listing Number 84.367A			51,741
Instructional Continuity	84.377A	17610740126911	8,375
Title IV, Part A, Subpart 1	84.424	20680101126911	398
Title IV, Part A, Subpart 1	84.424	21680101126911	16,826
Title IV, Part A, Subpart 1	84.424	22680101126911	12,949
Total Assistance Listing Number 84.424			30,173
Elementary & Secondary School Emergency Relief Fd	84.425D	20521001126911	5,531
CRF Prior Purchase Reimbursement Program	84.425D	52102135	265,297
Elem & Sec School Emergency Relief Fund II	84.425D	21521001126911	846,504

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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Elementary Secondary School Emergency Relief III	84.425U	21528001126911	1,380,062
Elem & Sec School Emerg Relief III Supplemental	84.425U	21528043126911	398,925
Total Assistance Listing Number 84.425			<u>2,896,319</u>
Total Passed Through State Department of Education			<u>4,616,398</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>4,616,398</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	00671	215,188
*National School Lunch Program - Cash Assistance	10.555	00671	848,305
*National School Lunch Prog. - Non-Cash Assistance	10.555	00671	50,928
Total Assistance Listing Number 10.555			<u>899,233</u>
Total Child Nutrition Cluster			<u>1,114,421</u>
NSLP Equipment Grant	10.579	00671	25,769
Total Passed Through the State Department of Agriculture			<u>1,140,190</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,140,190</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,779,343</u></u>

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

GODLEY INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2021

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's **Financial Accountability System Resource Guide**.
 - **General Fund** – is used to account for, among other things, resources related to the United States Department of Defense ROTC program and United States Department of Education's Impact Aid.
 - **Special Revenue Funds** – are used to account for resources restricted to, or designated 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 specified project periods.
- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.
- With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. 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.
- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343(b).
- CFD numbers for commodity assistance are the CFDA numbers of the programs under which USDA donated the commodities.
- The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal Awards	\$5,779,343
SHARS Revenue reported in the General Fund	339,012
Tax Credit Revenue reported in the Debt Service Fund	0
Plus Revenue Received for Coronavirus Relief Fund for FY20 Expenditures	0
Federal Program Revenue Reported on Exhibit C-3	\$6,118,355
E-Rate Revenue Reported in the Internal Service Fund	
Federal Program Revenue Reported on Exhibit D-2	0
Rounding	(1)
Total Federal Program Revenue	<u>\$6,118,354</u>