

**WOODSBORO  
INDEPENDENT  
SCHOOL DISTRICT**

*Annual Financial Report*

*For the Year Ended August 31, 2021*



**GOWLAND, STREATLY, MORALES & COMPANY, PLLC**

Certified Public Accountants

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

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Certificate of Board.....	1	
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report.....	2	
Management's Discussion and Analysis (Required Supplementary Information).....	4	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	13	A-1
Statement of Activities.....	14	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	15	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	17	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	18	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	20	C-3
Statement of Net Position - Internal Service Fund.....	21	D-1
Statement of Revenues, Expenses, and Changes in		
Fund Net Position - Internal Service Fund.....	22	D-2
Statement of Cash Flows - Proprietary Funds.....	23	D-3
Statement of Fiduciary Net Position - Fiduciary Funds.....	24	E-1
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	25	E-2
Notes to the Financial Statements .....	26	
<u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	49	G-1
Schedule of the District's Proportionate Share of the		
Net Pension Liability - Teacher Retirement System Of Texas.....	50	G-2
Schedule of District's Contributions - Teacher Retirement System Of Texas.....	51	G-3
Schedule of the District's Proportionate Share of the		
Net OPEB Liability - OPEB Plan.....	52	G-4
Schedule of District's Contributions - OPEB Plan.....	53	G-5
Notes to Required Supplementary Information.....	54	
<u>Combining Statements as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	55	H-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	56	H-2

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

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	57	H-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	60	H-4
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	62	J-1
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	64	J-2
Debt Service Fund.....	65	J-3
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	66	
Schedule of Findings and Questioned Costs .....	68	
Summary Schedule of Prior Audit Findings.....	69	
Corrective Action Plan.....	70	
Schedule of Required Responses to Selected School First Indicators.....	71	K-1

*Introductory Section*

CERTIFICATE OF BOARD

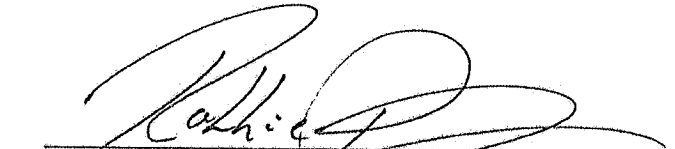
Woodsboro Independent School District  
Name of School District

Refrugio  
County

196902  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2021, at a meeting of the board of trustees of such school district on the 18 day of January, 2022.

  
Signature of Board Secretary

  
Signature of Board President

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

*Financial Section*



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

GOWLAND, STREALLY, MORALES & COMPANY, PLLC

Certified Public Accountants

### **Independent Auditor's Report**

To the Board of Trustees  
Woodsboro Independent School District  
P.O. Drawer 770  
Woodsboro, Texas 78393

#### **Report on the Audit of the Financial Statements**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Woodsboro Independent School District ("the District") as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

## **Opinions**

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

## ***Required Supplementary Information***

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

## ***Other Information***

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

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

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021 on our consideration of Woodsboro Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Woodsboro Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



Gowland, Streaty, Morales & Company

Corpus Christi, Texas  
December 16, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Woodsboro Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

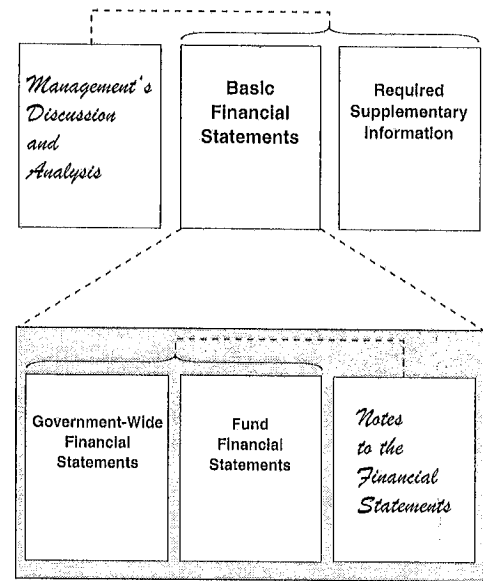
- The District's total combined net position was \$12,287,507 at August 31, 2021.
- During the year, the District's expenses were \$2,951,257 less than the \$10,893,005 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$4,808,275.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as food service.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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



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

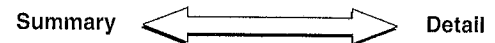


Figure A-2 Major Features of the District's Government-wide and Fund Financial Statements

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

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

### Government-wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has 3 kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities—such as the District's Self Insurance Fund.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### Net Position

Table A-1  
The District's Net Position

	Governmental Activities		Total Change
	2021	2020	2021-2020
Current Assets:			
Cash and cash equivalents	\$ 2,068,864	\$ 2,026,072	\$ 42,792
Current Investments	5,095,492	5,789,770	(694,278)
Property Taxes Receivable (Net)	108,879	108,500	379
Due from other governments	262,092	448,250	(186,158)
Due from other funds		16,147	(16,147)
Other receivables	7,167	5,140	2,027
Unrealized Expenses	-	678	(678)
Total Current Assets	<u>7,542,494</u>	<u>8,394,557</u>	<u>(852,063)</u>
Noncurrent assets:			
Capital Assets	20,927,081	19,636,179	1,290,902
Total Assets	<u>28,469,575</u>	<u>28,030,736</u>	<u>438,839</u>
Deferred Outflows Related to Pensions	<u>1,060,707</u>	<u>872,914</u>	<u>187,793</u>
Current Liabilities:			
Accounts payable and accrued liabilities	1,099,879	2,413,100	(1,313,221)
Unearned Revenue	276,856	798,857	(522,001)
Total Current Liabilities	<u>1,376,735</u>	<u>3,211,957</u>	<u>(1,835,222)</u>
Long-term Liabilities:			
Due within one year	555,000	545,000	10,000
Due in more than one year	9,315,478	9,896,858	(581,380)
Net Pension Liability	1,231,176	1,091,935	139,241
Net OPEB Liability	1,829,580	2,075,629	(246,049)
Total Liabilities	<u>14,307,969</u>	<u>16,821,379</u>	<u>(2,513,410)</u>
Deferred Inflows Related to Pensions	<u>2,934,806</u>	<u>2,762,170</u>	<u>172,636</u>
Net Assets:			
Invested in capital assets	11,160,702	10,110,679	1,050,023
Restricted	323,663	798,946	(475,283)
Unrestricted (Deficit)	803,142	(1,589,524)	2,392,666
Total Net Position	<u>\$ 12,287,507</u>	<u>\$ 9,320,101</u>	<u>\$ 2,967,406</u>

The District's combined net position was approximately \$12,287,507 at August 31, 2021. Investment in capital assets (e.g. land, buildings, furniture, and equipment, less any related debt used to acquire those assets that is still outstanding) is \$11,160,702. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

A small portion of the District's net position, \$323,663 represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is a balance of \$803,142 (See Table A-1).

Unrestricted net position reflects a balance of \$803,142 resulting from the implementation of GASB 75 for the OPEB liability. Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations.

**Changes in net position.** The District's total revenues were \$10,893,005. A significant portion, 38%, of the District's revenue comes from taxes. 22% comes from State Aid - Formula, while only .27% relates to charges for services.

The total cost of all programs and services was \$7,941,748; 52.4% of these costs are for instruction, instructional resources and media services, curriculum development, counseling, and health services.

Table A-2				
Changes in Woodsboro Independent School District				
Statement of Activities				
(in actual dollars)				
	Governmental Activities			Total Change
	2021	2020		2021-2020
Program Revenues:				
Charges for Services	\$ 29,222	\$ 189,826	\$	(160,604)
Operating Grants and Contributions	1,658,719	1,469,023		189,696
General Revenues				
Property Taxes	4,182,765	4,072,881		109,884
State Aid – Formula	2,415,255	2,746,867		(331,612)
Investment Earnings	15,617	108,435		(92,818)
Other	2,591,427	1,918,951		672,476
Total Revenues	10,893,005	10,505,983		387,022
Instruction	3,865,112	4,070,072		(204,960)
Instructional Resources and Media Services	32,011	30,572		1,439
Curriculum Dev. And Instructional Staff Dev.	2,376	2,439		(63)
School Leadership	386,606	398,889		(12,283)
Guidance, Counseling and Evaluation Services	189,366	241,603		(52,237)
Health Services	71,082	65,894		5,188
Student (Pupil) Transportation	117,488	125,450		(7,962)
Food Services	257,680	273,045		(15,365)
Curricular/Extracurricular Activities	418,540	357,037		61,503
General Administration	803,057	559,878		243,179
Plant Maintenance & Oper.	1,251,360	1,213,218		38,142
Security and Monitoring Services	17,242	26,983		(9,741)
Data Processing Services	343			343
Debt Service	344,683	360,009		(15,326)
Bond Issuance Costs and Fees	1,486	1,690		(204)
Capital Outlay	72,362	167,417		(95,055)
Shared Service Arrangements	-	-		0
Other Intergovernmental Charges	110,954	86,021		24,933
Total Expenses	7,941,748	7,980,217		38,469
Prior Period Adjustment & Special Item	16,147	(1,128,465)		1,144,612
Change in Net Position	2,967,404	1,397,301		1,570,103
Net Position Beginning	9,320,104	7,922,803		1,397,301
Net Position Ending	\$ 12,287,508	\$ 9,320,104	\$	2,967,404

5

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

#### Governmental Activities

- The property tax rates decreased to \$1.19 of which \$.98 was for maintenance and \$0.21 was for debt service. Property values increased to \$336,578,480 which produced a tax levy of \$5,541,706.
- Revenues from investments decreased during the year by \$92,818.

- Property tax revenue for maintenance & operations was based on a tax rate of \$.98 for 2021. The I&S Tax rate was \$.21.
- State aid increased in 2020 and increased again in 2021 with the passage of House Bill 3. The M&O tax rate of \$1.068 decreased to \$.98 and the I&S rate decreased to \$.21 as of August 31, 2021.
- The District continues to repair damages caused by Hurricane Harvey. Consequently, capital expenditures continue to increase for the 2020-21 fiscal year
- For the 2020-21 school year, student enrollment decreased by 34 students. This reduction in attendance resulted in a deficit of just over \$208,000 in state funding
- Personnel cost will continue to increase as the district explores methods to increase instructional salaries to attract the best teachers
- The district will continue to be conservative in their spending and maximize every dollar.
- The cost of all *governmental* activities this year was \$7,941,748.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$4,182,765.
- Some of the cost was paid by those who directly benefited from the programs \$29,222, or By grants and contributions \$1,658,719.

**Table A-3**  
Net Cost of Selected District Functions  
(in actual dollars)

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2021	2020		2021	2020	
Instruction	\$ 3,865,112	\$ 4,070,072	-5.30%	\$ 3,364,774	\$ 3,360,265	0.13%
General Administration	803,057	559,878	30.28%	112,877	484,426	-329.16%
Plant Maintenance & Operations	1,251,360	1,213,218	3.05%	1,106,952	981,307	11.35%

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

1. Revenues from governmental fund types totaled \$10,718,345 an increase of 4.02% over the preceding year (\$10,303,856). The homestead exemption act will reduce funding which will be a significant loss to Woodsboro ISD. The M&O rate of \$1.17 will be compressed to \$.98 and the I&S rate is \$0.21 for 2020-21. The district will continue to be conservative in their spending and maximize every dollar.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised its budget. Actual expenditures were \$91,255 less than budgeted expenditures. State program revenues were \$136,823 less than projected and local and intermediate revenues were \$1,426,694 more than projected. Fund Balance increased by \$665,867.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2021, the District had invested \$20,927,081 net of depreciation in a broad range of capital assets, including land, construction in progress, equipment, buildings, and vehicles. (See Table A-4.)

**Table A-4**  
District's Capital Assets  
(in actual dollars)

	Governmental Activities			2021
	2020	Additions	Deletions	
Land	\$ 648,483	\$ -	\$ -	\$ 648,483
Construction in Progress	-	211,379	-	211,379
Buildings and improvements	25,236,860	1,772,182	-	27,009,042
Vehicles and Equipment	2,100,117	89,924	-	2,190,041
Totals at historical cost	<u>27,985,460</u>	<u>2,073,485</u>	<u>-</u>	<u>30,058,945</u>
Total accumulated depreciation	<u>8,349,281</u>	<u>782,583</u>	<u>-</u>	<u>9,131,864</u>
Net capital assets	<u>\$ 19,636,179</u>	<u>\$ 1,290,902</u>	<u>\$ -</u>	<u>\$ 20,927,081</u>

### Long Term Debt

At year-end, the District had \$9,870,479 in long term bond related debt as shown in Table A-5. More detailed information about the District's debt is presented in the Notes to the Financial Statements.

**Table A-5**  
Woodsboro Independent School District's Long Term Debt

	Governmental Activities		Total Percentage Change 2021-20
	2021	2020	
Bonds payable	\$ 9,555,000	\$ 10,100,000	-5.4%
Bond Premium	315,479	341,858	-7.7%
Total bonds & leases payable	<u>\$ 9,870,479</u>	<u>\$ 10,441,858</u>	-5.5%
Net Pension Liability	<u>\$ 1,231,176</u>	<u>\$ 1,091,935</u>	12.8%
Net OPEB Liability	<u>\$ 1,829,580</u>	<u>\$ 2,075,629</u>	-11.9%

### Net Pension Liability

The District implemented GASB Statement No. 68 during the year ended August 31, 2015. Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans within the scope of the Statement.



The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement.

#### **Other Post-Employment Benefit Plans (OPEB)**

The District implemented GASB Statement No. 75 during the year ended August 31, 2018. A prior period adjustment of \$5,530,014 was required to record the beginning balance of the pension liability for the year ended August 31, 2017. 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 Benefits (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

The adoption of Statement No. 75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of health insurance unaffected by the change. However, the adoption has resulted in reporting in the government-wide financial statements to reflect the net OPEB liability and deferred inflows of resources and deferred outflows of resources for its qualified plan and the recognition of expense in accordance with the provisions of the Statement.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The District's ADA has increased in the 2021-22 school year.
- The District has sought and will continue to seek funding from other sources.
- The District will consider cuts in state funding during budget preparations if necessary.
- The District's tax rate for 2021-22 increased .04 cents from the previous fiscal year, property values for the district have declined.
- The district is expected to receive additional revenue from the Cranell Wind Farm project
- Additional federal funding through Harvey Cycle 2 and ESSER 2 & 3 Grants will contribute significant funds to the 2021-22 fiscal year.

The District has added no major new programs or initiatives to the 2022 budget.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

*Basic Financial Statements*

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2021**

Data Control Codes	1	Governmental Activities
<b>ASSETS:</b>		
1110	<i>Cash and Cash Equivalents</i>	\$ 2,068,864
1120	<i>Current Investments</i>	5,095,492
1225	<i>Property Taxes Receivable (Net)</i>	108,879
1240	<i>Due from Other Governments</i>	262,092
1290	<i>Other Receivables (Net)</i>	7,167
Capital Assets:		
1510	<i>Land</i>	648,483
1520	<i>Buildings and Improvements, Net</i>	19,057,665
1530	<i>Furniture and Equipment, Net</i>	1,009,554
1580	<i>Construction in Progress</i>	211,379
1000	Total Assets	<u>28,469,575</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
	<i>Deferred Outflow Related to Pensions</i>	564,438
	<i>Deferred Outflow Related to OPEB</i>	496,269
1700	Total Deferred Outflows of Resources	<u>1,060,707</u>
<b>LIABILITIES:</b>		
2110	<i>Accounts Payable</i>	107,620
2165	<i>Accrued Liabilities</i>	243,635
2180	<i>Due to Other Governments</i>	748,624
2300	<i>Unearned Revenue</i>	276,856
Noncurrent Liabilities:		
2501	<i>Due Within One Year</i>	555,000
2502	<i>Due in More Than One Year</i>	9,315,478
2540	<i>Net Pension Liability</i>	1,231,176
2545	<i>Net OPEB Liability</i>	1,829,580
2000	Total Liabilities	<u>14,307,969</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
	<i>Deferred Inflow Related to Pensions</i>	358,734
	<i>Deferred Inflow Related to OPEB</i>	2,576,072
2600	Total Deferred Inflows of Resources	<u>2,934,806</u>
<b>NET POSITION:</b>		
3200	Net Investment in Capital Assets	11,160,702
Restricted For:		
3820	State and Federal Programs	41,606
3850	Debt Service	224,173
3860	Capital Projects	57,884
3900	Unrestricted	803,142
3000	Total Net Position	<u>\$ 12,287,507</u>

The accompanying notes are an integral part of this statement.

## WOODSBORO INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
			Charges for Services			
	Governmental Activities:					
11	Instruction	\$ 3,865,112	\$ 5,322		\$ 495,016	\$ (3,364,774)
12	Instructional Resources and Media Services	32,011	46		1,229	(30,736)
13	Curriculum and Staff Development	2,376	3		136	(2,237)
23	School Leadership	386,606	553		25,719	(360,334)
31	Guidance, Counseling, & Evaluation Services	189,366	269		12,409	(176,688)
32	Social Work Services	(1,236)	--		--	1,236
33	Health Services	72,318	100		5,162	(67,056)
34	Student Transportation	117,488	78		4,332	(113,078)
35	Food Service	257,680	2,192		195,557	(59,931)
36	Cocurricular/Extracurricular Activities	418,540	17,713		26,222	(374,605)
41	General Administration	803,057	1,127		689,053	(112,877)
51	Facilities Maintenance and Operations	1,251,360	1,794		142,614	(1,106,952)
52	Security and Monitoring Services	17,242	25		1,132	(16,085)
53	Data Processing Services	343	--		--	(343)
72	Interest on Long-term Debt	344,683	--		16,200	(328,483)
73	Bond Issuance Costs and Fees	1,486	--		--	(1,486)
81	Capital Outlay	72,362	--		43,938	(28,424)
99	Other Intergovernmental Charges	110,954	--		--	(110,954)
TG	Total Governmental Activities	<u>7,941,748</u>	<u>29,222</u>		<u>1,658,719</u>	<u>(6,253,807)</u>
TP	Total Primary Government	<u>\$ 7,941,748</u>	<u>\$ 29,222</u>		<u>\$ 1,658,719</u>	<u>(6,253,807)</u>
	General Revenues:					
MT	Property Taxes, Levied for General Purposes					3,212,919
DT	Property Taxes, Levied for Debt Service					969,846
IE	Investment Earnings					15,617
GC	Grants and Contributions Not Restricted to Specific Programs					2,415,255
MI	Miscellaneous					2,591,427
TR	Total General Revenues					<u>9,205,064</u>
CN	Change in Net Position					2,951,257
NB	Net Position - Beginning					9,320,104
PA	Prior Period Adjustment					16,147
	Net Position - Beginning, as Restated					9,336,251
NE	Net Position - Ending					<u>\$ 12,287,508</u>

The accompanying notes are an integral part of this statement.

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

Data Control Codes	10 <u>General Fund</u>	<u>Other Federal Funds for Harvey</u>
<b>ASSETS:</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,063,691	\$ 18,050
1120 <i>Current Investments</i>	4,646,577	--
1225 <i>Taxes Receivable, Net</i>	97,966	--
1240 <i>Due from Other Governments</i>	141,634	10,000
1260 <i>Due from Other Funds</i>	257,693	870,032
1290 <i>Other Receivables</i>	4,692	--
1000 Total Assets	<u>\$ 6,212,253</u>	<u>\$ 898,082</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ 22,541	\$ --
2160 <i>Accrued Wages Payable</i>	234,192	--
2170 <i>Due to Other Funds</i>	793,762	10,454
2180 <i>Due to Other Governments</i>	--	748,624
2300 <i>Unearned Revenue</i>	255,517	2,298
2000 Total Liabilities	<u>1,306,012</u>	<u>761,376</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
	<u>97,966</u>	<u>--</u>
2600 Total Deferred Inflows of Resources	<u>97,966</u>	<u>--</u>
<b>FUND BALANCES:</b>		
Restricted Fund Balances:		
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--
3480 <i>Retirement of Long-Term Debt</i>	--	--
3490 <i>Other Restrictions of Fund Balance</i>	--	136,706
Committed Fund Balances:		
3510 <i>Construction</i>	900,000	--
3530 <i>Capital Expenditures for Equipment</i>	112,000	--
3600 Unassigned	3,796,275	--
3000 Total Fund Balances	<u>4,808,275</u>	<u>136,706</u>
4000 Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 6,212,253</u>	<u>\$ 898,082</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

Insurance Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 894,122	\$ 78,066	\$ 2,053,929
--	448,915	5,095,492
--	10,913	108,879
--	110,458	262,092
--	102,980	1,230,705
--	2,474	7,166
<u>\$ 894,122</u>	<u>\$ 753,806</u>	<u>\$ 8,758,263</u>
\$ 1,294	\$ 71,465	\$ 95,300
--	9,443	243,635
138,945	302,566	1,245,727
--	--	748,624
--	19,041	276,856
<u>140,239</u>	<u>402,515</u>	<u>2,610,142</u>
--	10,913	108,879
<u>--</u>	<u>10,913</u>	<u>108,879</u>
--	41,606	41,606
--	224,173	224,173
753,883	16,715	907,304
--	57,884	957,884
--	--	112,000
--	--	3,796,275
<u>753,883</u>	<u>340,378</u>	<u>6,039,242</u>
<u>\$ 894,122</u>	<u>\$ 753,806</u>	<u>\$ 8,758,263</u>

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

Total fund balances - governmental funds balance sheet	\$ 6,039,242
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	20,927,081
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	108,878
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	17,638
Payables for bond principal which are not due in the current period are not reported in the funds.	(9,555,000)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	(315,478)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(1,231,176)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(358,734)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	564,438
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(1,829,580)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(2,576,072)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	496,269
Rounding difference	<u>1</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 12,287,507</u>

The accompanying notes are an integral part of this statement.

**WOODSBORO 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	Other Federal Funds for Harvey
<b>REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 4,785,690	\$ 534
5800 <i>State Program Revenues</i>	2,655,819	--
5900 <i>Federal Program Revenues</i>	164,901	121,277
5020 <b>Total Revenues</b>	<u>7,606,410</u>	<u>121,811</u>
<b>EXPENDITURES:</b>		
Current:		
0011 <i>Instruction</i>	3,305,086	9,999
0012 <i>Instructional Resources and Media Services</i>	29,815	--
0013 <i>Curriculum and Staff Development</i>	2,142	--
0023 <i>School Leadership</i>	354,784	--
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	172,088	--
0033 <i>Health Services</i>	63,906	--
0034 <i>Student Transportation</i>	50,109	--
0035 <i>Food Service</i>	6,958	--
0036 <i>Cocurricular/Extracurricular Activities</i>	384,890	--
0041 <i>General Administration</i>	707,085	436
0051 <i>Facilities Maintenance and Operations</i>	1,167,634	12,122
0052 <i>Security and Monitoring Services</i>	15,547	--
0053 <i>Data Processing Services</i>	23,116	--
0071 <i>Principal on Long-term Debt</i>	--	--
0072 <i>Interest on Long-term Debt</i>	--	--
0073 <i>Bond Issuance Costs and Fees</i>	--	--
0081 <i>Capital Outlay</i>	96,269	670,615
0099 <i>Other Intergovernmental Charges</i>	110,954	--
6030 <b>Total Expenditures</b>	<u>6,490,383</u>	<u>693,172</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>1,116,027</u>	<u>(571,361)</u>
Other Financing Sources and (Uses):		
7915 <i>Transfers In</i>	--	724,367
7949 <i>Other Resources</i>	126,856	--
8911 <i>Transfers Out</i>	(727,016)	--
8949 <i>Other Uses</i>	--	(16,300)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>(600,160)</u>	<u>708,067</u>
1200 <b>Net Change in Fund Balances</b>	515,867	136,706
0100 Fund Balances - Beginning	4,292,408	--
1300 Prior Period Adjustment	--	--
Fund Balances - Beginning, as Restated	<u>4,292,408</u>	--
3000 <b>Fund Balances - Ending</b>	<u>\$ 4,808,275</u>	<u>\$ 136,706</u>

The accompanying notes are an integral part of this statement.



EXHIBIT C-2

Insurance Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 912,647	\$ 992,924	\$ 6,691,795
--	652,674	3,308,493
--	431,879	718,057
<u>912,647</u>	<u>2,077,477</u>	<u>10,718,345</u>
--	214,806	3,529,891
--	(894)	28,921
--	--	2,142
--	175	354,959
--	--	172,088
--	543	64,449
--	710	50,819
--	229,323	236,281
--	15,962	400,852
4	393	707,918
7,989	23,943	1,211,688
--	--	15,547
--	--	23,116
--	545,000	545,000
--	371,062	371,062
--	1,486	1,486
33,353	1,224,023	2,024,260
--	--	110,954
<u>41,346</u>	<u>2,626,532</u>	<u>9,851,433</u>
871,301	(549,055)	866,912
--	74,340	798,707
--	--	126,856
(71,691)	--	(798,707)
--	--	(16,300)
<u>(71,691)</u>	<u>74,340</u>	<u>110,556</u>
799,610	(474,715)	977,468
(45,727)	798,946	5,045,627
--	16,147	16,147
<u>(45,727)</u>	<u>815,093</u>	<u>5,061,774</u>
<u>\$ 753,883</u>	<u>\$ 340,378</u>	<u>\$ 6,039,242</u>

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

Net change in fund balances - total governmental funds	\$ 977,468
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,073,485
The depreciation of capital assets used in governmental activities is not reported in the funds.	(782,583)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	379
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	545,000
The net revenue (expense) of internal service funds is reported with governmental activities.	(10,836)
Bond premiums are reported in the funds but not in the SOA.	26,379
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(115,445)
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>237,410</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 2,951,257</u>

The accompanying notes are an integral part of this statement.

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

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	<b>ASSETS:</b>	
	Current Assets:	
1110	<i>Cash and Cash Equivalents</i>	\$ 14,935
	<i>Receivables:</i>	
1260	<i>Due from Other Funds</i>	15,023
	Total Current Assets	<u>29,958</u>
1000	Total Assets	<u>29,958</u>
	<b>LIABILITIES:</b>	
	Current Liabilities:	
2110	<i>Accounts Payable</i>	12,320
	Total Current Liabilities	<u>12,320</u>
2000	Total Liabilities	<u>12,320</u>
	<b>NET POSITION:</b>	
3900	<i>Unrestricted</i>	17,638
3000	Total Net Position	<u>\$ 17,638</u>

The accompanying notes are an integral part of this statement.

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

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	<b>OPERATING REVENUES:</b>	
5700	<i>Local and Intermediate Sources</i>	\$ 82
5020	Total Revenues	<u>82</u>
	<b>OPERATING EXPENSES:</b>	
6400	<i>Other Operating Costs</i>	10,918
6030	Total Expenses	<u>10,918</u>
1300	Change in Net Position	(10,836)
0100	Total Net Position - Beginning	28,474
3300	Total Net Position - Ending	<u>\$ 17,638</u>

The accompanying notes are an integral part of this statement.

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

	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Received from Customers</i>	\$
<i>Cash Received from Grants</i>	
<i>Cash Receipts (Payments) for Quasi-external     Operating Transactions with Other Funds</i>	82
<i>Cash Payments to Employees for Services</i>	
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(15,214)
<i>Cash Payments for Grants to Other Organizations</i>	
<i>Other Operating Cash Receipts (Payments)</i>	
Net Cash Provided (Used) by Operating Activities	<u>(15,132)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Transfers From (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
<i>Contributed Capital</i>	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
<b>Cash Flows from Investing Activities:</b>	
<i>Interest and Dividends on Investments</i>	--
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(15,132)
Cash and Cash Equivalents at Beginning of Year	30,067
Cash and Cash Equivalents at End of Year	<u>\$ 14,935</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (10,836)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation</i>	--
<i>Provision for Uncollectible Accounts</i>	--
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	--
<i>Increase (Decrease) in Accounts Payable</i>	(4,296)
<i>Increase (Decrease) in Interfund Payables</i>	--
<i>Increase (Decrease) in Due to Other Governments</i>	--
Total Adjustments	<u>(4,296)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (15,132)</u>

The accompanying notes are an integral part of this statement.

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

Data Control Codes		Custodial Funds
	<b>ASSETS:</b>	
1110	<i>Cash and Cash Equivalents</i>	\$ 101,829
1000	Total Assets	<u>101,829</u>
	<b>LIABILITIES:</b>	
2000	Total Liabilities	<u>--</u>
	<b>NET POSITION:</b>	
3800	<i>Restricted for Other Purposes</i>	101,829
3000	Total Net Position	<u>\$ 101,829</u>

The accompanying notes are an integral part of this statement.

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

	Custodial Funds
<b>ADDITIONS:</b>	
Investment Income	\$ --
Net (Decrease) in Fair Value of Investments	--
Employer Contributions	--
Plan Member Contributions	--
Contributions from Foundations, Gifts and Bequests	--
Student Group Fundraising Activities	120,107
Total Additions	<u>120,107</u>
<b>DEDUCTIONS:</b>	
Benefits	--
Refunds of Contributions	--
Supplies	94,278
Total Deductions	<u>94,278</u>
<b>Change in Fiduciary Net Position</b>	25,829
Net Position-Beginning of the Year	--
Prior Period Adjustment	76,000
Net Position-End of the Year	<u>\$ 101,829</u>

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

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

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

The District reports the following major governmental funds:

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

Other Federal Funds for Harvey: This fund is a grant to be used by the District to repair and replace District property destroyed by Hurricane Harvey.



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

Insurance Fund: This fund accumulates insurance proceeds to be used for the repair and replacement of District property.

In addition, the District reports the following fund types:

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

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

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

b. Measurement Focus, Basis of Accounting

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

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

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

b. Property Taxes

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

	General Fund	Debt Service Fund	Total
Property Taxes Receivable	\$ 305,806	\$ 34,065	\$ 339,871
Allowance for Doubtful Accounts	(207,840)	(23,152)	(230,992)
Property Taxes Receivable, Net	\$ 97,966	\$ 10,913	\$ 108,879

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

c. Inventories and Prepaid Items

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

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

d. Capital Assets

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

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

Asset Class	Estimated Useful Lives
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15

e. Deferred Outflows and Inflows of Resources

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

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

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

f. Receivable and Payable Balances

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

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

g. Compensated Absences

On retirement or death of certain employees, the District pays any accrued sick leave in a lump case payment to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments.

h. Interfund Activity

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

i. Use of Estimates

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

j. Data Control Codes

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

k. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

**i. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**m. Fund Balance Flow Assumptions**

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

**4. Pensions**

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

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

5. Other Post-Employment Benefits

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

6. Implementation of New Standards

*GASB Statement No. 84, Fiduciary Activities*

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

*GASB Statement No. 90, Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*

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

*GASB Statement No. 92, Omnibus 2020*

Although the effective date for the majority of GASB Statement No. 92, Omnibus 2020 has been postponed by GASB Statement No. 95 for one year, the District has adopted paragraph 11 of Statement 92 with respect to reinsurance recoveries. Paragraph 11 states that "amounts that (a) are recoverable from reinsurers or excess insurers and (b) relate to paid claims and claim adjustment expenses may be reported as reductions of expenses but are not required to be. The District has also adopted paragraph 13 of Statement 92 in regards to changing all uses of the terms *derivative* and *derivatives* in existing standards to *derivative instrument* and *derivative instruments*, respectively. The provisions in paragraphs 11 and 13 were excluded from the scope of Statement 95 because paragraph 11 retains the reporting option, and thus only clarifies that an option exists, and paragraph 13 imposes no burden on the District. As such, this statement does not impact the District.

*GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.*

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

The District has adopted paragraphs 4 and 5 of GASB Statement No. 92. Paragraph 4 states that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), if the primary government performs the duties that a governing board typically would perform, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board. Paragraph 5 states that the financial burden criterion in paragraph 7 of Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. The requirements in paragraphs 6 - 9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**B. Compliance and Accountability**

**1. Finance-Related Legal and Contractual Provisions**

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

<u>Violation</u>	<u>Variance</u>
<u>Expenditures exceeded budget:</u>	
General Fund:	
8911 Transfers Out	\$ 697,016

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

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

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

**C. Deposits and Investments**

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

**1. Cash Deposits:**

At August 31, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,170,696 and the bank balance was \$2,265,182. The District's cash deposits at August 31, 2021 and during the year ended August 31, 2021, were not entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: The First State Bank

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

- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$4,500,000.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$5,455,220 and occurred during the month of November, 2020.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

2. Investments:

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

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

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

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>	
Lone Star Investment Pool	N/A	\$ 2,849,371	AAAm
Money Market Funds	N/A	2,246,121	N/A
Total Investments		<u>\$ 5,095,492</u>	

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

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

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 648,483	\$ --	\$ --	\$ 648,483
Construction in progress	--	211,379	--	211,379
Total capital assets not being depreciated	<u>648,483</u>	<u>211,379</u>	<u>--</u>	<u>859,862</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	25,236,861	1,772,182	--	27,009,043
Equipment	996,036	89,924	--	1,085,960
Vehicles	1,104,080	--	--	1,104,080
Total capital assets being depreciated	<u>27,336,977</u>	<u>1,862,106</u>	<u>--</u>	<u>29,199,083</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,306,164)	(645,214)	--	(7,951,378)
Equipment	(394,219)	(70,495)	--	(464,714)
Vehicles	(648,898)	(66,874)	--	(715,772)
Total accumulated depreciation	<u>(8,349,281)</u>	<u>(782,583)</u>	<u>--</u>	<u>(9,131,864)</u>
Total capital assets being depreciated, net	<u>18,987,696</u>	<u>1,079,523</u>	<u>--</u>	<u>20,067,219</u>
Governmental activities capital assets, net	<u>\$ 19,636,179</u>	<u>\$ 1,290,902</u>	<u>\$ --</u>	<u>\$ 20,927,081</u>

Depreciation was charged to functions as follows:



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

Instruction	\$ 380,065
Instructional Resources and Media Services	3,148
Curriculum and Staff Development	234
School Leadership	38,016
Guidance, Counseling, & Evaluation Services	18,499
Health Services	7,111
Student Transportation	66,874
Food Services	25,338
Extracurricular Activities	41,156
General Administration	77,364
Plant Maintenance and Operations	123,049
Security and Monitoring Services	1,695
Data Processing Services	34
	<u>\$ 782,583</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

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

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 257,693	Short-term loans
Other Governmental Funds	Major fund (specify fund name)	102,980	Short-term loans
Other Federal Funds - Harvey	General Fund	752,129	Short-term loans
Other Federal Funds - Harvey	Other Governmental Funds	117,903	Short-term loans
Internal Service Fund	General Fund	15,021	Short-term loans
	Total	<u>\$ 1,245,726</u>	

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

2. Transfers To and From Other Funds

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Major Fund (Hurricane Harevey)	\$ 727,016	Supplment Funds
Insurance Fund	Other Governmental Funds	71,691	Supplment Funds
	Total	<u>\$ 798,707</u>	

F. Long-Term Obligations

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

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2021, are as follows:

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Governmental activities:					
Unlimited Tax Refunding					
Bonds Series 2013, 2.00%	\$ 3,775,000	\$	290,000	\$ 3,485,000	\$ 300,000
Unlimited Tax School Building					
Bonds Series 2014, 2%-4.75%	4,395,000		120,000	4,275,000	120,000
Unlimited Tax Refunding					
Bonds Series 2016, 3%-4.00%	1,930,000		135,000	1,795,000	135,000
<b>TOTAL BONDS</b>	<b>\$ 10,100,000</b>	<b>\$ --</b>	<b>\$ 545,000</b>	<b>9,555,000</b>	<b>\$ 555,000</b>
Bond Premium	\$ 341,858		\$ 26,380	315,478	
Due Within One Year				(555,000)	
Due in More Than One Year				\$ 9,315,478	
Net Pension Liability	\$ 1,091,935	\$ 139,241	\$	\$ 1,231,176	
Net OPEB	\$ 2,075,629	\$	\$ 246,049	\$ 1,829,580	

\* Other long-term liabilities

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

Liability	Activity Type	Fund
Compensated absences	Governmental	General
Claims and judgments	Governmental	General
Net Pension Liability *	Governmental	General

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2021, are as follows:

	Governmental Activities	
Year Ending August 31,	Bonds	
	Principal	Interest
2022	\$ 555,000	\$ 354,712
2023	575,000	338,062
2024	600,000	320,812
2025	615,000	302,162
2026	635,000	283,038
2027-2031	3,530,000	1,051,262
2032-2036	1,115,000	562,475
2037-2041	1,125,000	349,700
2042-2046	805,000	77,662
<b>Totals</b>	<b>\$ 9,555,000</b>	<b>\$ 3,639,885</b>

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

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2021, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

<u>Bond Issue</u>	<u>Amount</u>
Series 2006	\$ 3,545,000
Series 2007	\$ 1,710,000

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Pension Plan

1. Plan Description

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

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

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf), selecting About TRS or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

3. Benefits Provided

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

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

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

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

4. Contributions

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

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

<b><u>Contribution Rates</u></b>		
	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
District's 2021 Employer Contributions	\$ 100,852	
District's 2021 Member Contributions	\$ 280,796	
2020 NECE On-Behalf Contributions (state)	\$ 213,984	

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

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

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

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

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

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

5. Actuarial Assumptions

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

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

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

6. Discount Rate

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

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

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

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

Asset Class	Target Allocation *	Long-Term Expected Arithmetic Real Rate of Return **	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
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%
<b>Stable Value</b>			
Government Bonds	16.00%	(0.70)%	(0.05)%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources & Infrastructure	6.00%	6.00%	0.42%
<b>Risk Parity</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Leverage</b>			
Cash	2.00%	1.50%	(0.03)%
Asset Allocation Leverage	(6.00%)	1.30%	0.08%
<b>Inflation Expectation</b>			2.00%
<b>Volatility Drag ***</b>	-		(0.67)%
<b>Total</b>	<u>100.0%</u>		<u>7.33%</u>
* Target allocations are based on the FY2020 policy model.			
** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020)			
*** The volatility drag results from the conversion between arithmetic and geometric mean returns.			

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability:	\$ 1,898,451	\$ 1,231,176	\$ 689,029

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

At August 31, 2021, the District reported a liability of \$1,231,176 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 1,231,176
State's proportionate share that is associated with District	<u>2,777,630</u>
Total	<u>\$ 4,008,806</u>

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

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

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.002298773 percent which was an increase (decrease) of -0.22757853 percent from its proportion measured as of August 31, 2019.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2021, the District recognized pension expense of \$334,087 and revenue of \$334,087 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,248	\$ 34,359
Changes in actuarial assumptions	285,677	121,468
Difference between projected and actual investment earnings	24,924	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	150,737	202,907
Contributions paid to TRS subsequent to the measurement date	100,852	--
Total	\$ 564,438	\$ 358,734

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

Year ended August 31,	Pension Expense Amount
2022	\$ 65,449
2023	\$ 26,939
2024	\$ 25,174
2025	\$ (7,258)
2026	\$ (9,253)
Thereafter	\$ 3,802

I. Defined Other Post-Employment Benefit Plans

1. Plan Description

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

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

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

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf), selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

3. Benefits Provided

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

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

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

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

4. Contributions

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

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



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

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

District's 2021 Employer Contributions	\$ 50,130
District's 2021 Member Contributions	\$ 280,796
2020 NECE On-Behalf Contributions (state)	\$ 49,155

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

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

5. Actuarial Assumptions

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

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

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

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

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

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

Additional Actuarial Methods and Assumptions:

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

6. Discount Rate

A single discount rate of 2.33 percent was used to measure the total OPEB liability. This was a decrease of .30 percent in the discount rate since the previous year. Because the plan is essentially a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to **not be able** to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of net OPEB liability	\$ 2,195,492	\$ 1,829,580	\$ 1,540,563

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

At August 31, 2021, the District reported a liability of \$171,172 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:

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

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

Additional Actuarial Methods and Assumptions:

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

6. Discount Rate

A single discount rate of 2.33 percent was used to measure the total OPEB liability. This was a decrease of .30 percent in the discount rate since the previous year. Because the plan is essentially a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to **not be able** to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of net OPEB liability	\$ 2,195,492	\$ 1,829,580	\$ 1,540,563

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

At August 31, 2021, the District reported a liability of \$171,172 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:

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

District's proportionate share of the collective net OPEB liability	\$	1,829,580
State's proportionate share that is associated with the District		2,458,518
Total	\$	4,288,098

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

At August 31, 2021 the District's proportion of the collective net OPEB liability was 0.004812847, compared which was an increase (decrease) of .0004238119% from its proportion measured at August 31, 2019

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of net OPEB liability	\$ 1,494,533	\$ 1,829,580	\$ 2,275,817

9. Changes Since the Prior Actuarial Valuation

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

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

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

The amount of OPEB expense recognized by the District in the reporting period was \$(17,071).

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 95,796	\$ 837,310
Changes in actuarial assumptions	112,847	502,412
Differences between projected and actual investment earnings	595	
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	236,901	1,236,350
Contributions paid to TRS subsequent to the measurement date	50,130	
<b>Total</b>	<b>\$ 496,269</b>	<b>\$ 2,576,072</b>

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

Year ended August 31,	OPEB Expense Amount
2022	\$ (355,517)
2023	\$ (355,597)
2024	\$ (355,642)
2025	\$ (355,630)
2026	\$ (306,762)
Thereafter	\$ (400,784)

For the year ended August 31, 2021, the District recognized OPEB expense of \$(17,071) and revenue of \$(17,071) for support provided by the State.

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2021, the subsidy payment received by TRS-Care on behalf of the District was \$5,388.

J. Employee Health Care Coverage

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$325 per month per employee to the Plan. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, and terms of coverage and premium costs are included in the contractual provisions.

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

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

K. Commitments and Contingencies

1. Contingencies

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

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

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

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

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

L. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through December 16, 2021 (the date of the Audit Report). The financial statements include all Type I events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management and those charged with governance have determined that there is one non-recognized Type II subsequent event that requires additional disclosure:

M. Chapter 313

On August 1, 2019 the District approved property tax abatement agreements with Cranell Wind Farm, LLC. for a Limitation On Appraised Value of Property for School District Maintenance and Operation Taxes pursuant to the Chapter 313 of the Texas Tax Code, i.e. the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Cranell Wind Farm, LLC qualified for a tax limitation agreement under Texas Tax Code 313.024 (b)(5), as a renewable energy electric generation project.

Value limitation agreements are a part of a state program, originally created in 2001 which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in statute. The projects) under the Chapter 313 agreement must be consistent with the state's goals to "encourage large scale capital investments in this state." Chapter 313 of the Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for a value limitation agreement, each applicant, including Cranell Wind Farm, LLC have been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the project. The application, the agreements and state reporting requirement documentation can be viewed at the Texas Comptroller's website:<https://www.comptroller.texas.gov/economy/local/ch313-docs.php>. The agreement and all supporting documentation were assigned Texas Comptroller Application No. 101.

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

After approval, the applicant company must maintain a viable presence in the district for the entire period of the value limitation plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

In the event that Cranell Wind Farm, LLC terminates this Agreement without the consent of the District, or in the event that the company or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest.

Project: Cranell Wind Farm, LLC (Application #101)  
First Year Value Limitation: 2020

Fiscal Year	Project Value	Project's Value Limitation Amount	Amount of Applicant's M&O Taxes Paid	Amount of Applicant's M&O Taxes Reduced	Company Revenue Loss Payment to School District	Company Supplemental Payment to School District	Net Benefit (Loss) to the School District
2020	\$157.8 M	\$25 M	\$ 245,000	\$ 378,461	\$ 1,472,958	\$ 50,000	1,767,958

### *Required Supplementary Information*

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



**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT G-1**

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		1		2		3		Variance with Final Budget Positive (Negative)
		Budgeted Amounts				Actual		
		Original	Final					
<b>REVENUES:</b>								
5700	Local and Intermediate Sources	\$ 3,358,996	\$ 3,358,996	\$ 4,785,690	\$ 1,426,694			
5800	State Program Revenues	2,792,642	2,792,642	2,655,819	(136,823)			
5900	Federal Program Revenues	310,000	310,000	164,901	(145,099)			
5020	Total Revenues	<u>6,461,638</u>	<u>6,461,638</u>	<u>7,606,410</u>	<u>1,144,772</u>			
<b>EXPENDITURES:</b>								
Current:								
Instruction & Instructional Related Services:								
0011	Instruction	3,474,308	3,311,181	3,305,086	6,095			
0012	Instructional Resources and Media Services	28,881	30,881	29,815	1,066			
0013	Curriculum and Staff Development	7,500	7,500	2,142	5,358			
	Total Instruction & Instr. Related Services	<u>3,510,689</u>	<u>3,349,562</u>	<u>3,337,043</u>	<u>12,519</u>			
Instructional and School Leadership:								
0023	School Leadership	360,654	360,654	354,784	5,870			
	Total Instructional & School Leadership	<u>360,654</u>	<u>360,654</u>	<u>354,784</u>	<u>5,870</u>			
Support Services - Student (Pupil):								
0031	Guidance, Counseling and Evaluation Services	242,712	177,712	172,088	5,624			
0033	Health Services	62,464	64,464	63,906	558			
0034	Student (Pupil) Transportation	95,299	65,299	50,109	15,190			
0035	Food Services	--	--	6,958	(6,958)			
0036	Cocurricular/Extracurricular Activities	369,960	399,960	384,890	15,070			
	Total Support Services - Student (Pupil)	<u>770,435</u>	<u>707,435</u>	<u>677,951</u>	<u>29,484</u>			
Administrative Support Services:								
0041	General Administration	594,797	719,797	707,085	12,712			
	Total Administrative Support Services	<u>594,797</u>	<u>719,797</u>	<u>707,085</u>	<u>12,712</u>			
Support Services - Nonstudent Based:								
0051	Plant Maintenance and Operations	1,095,063	1,192,191	1,167,634	24,557			
0052	Security and Monitoring Services	--	16,000	15,547	453			
0053	Data Processing Services	--	25,000	23,116	1,884			
	Total Support Services - Nonstudent Based	<u>1,095,063</u>	<u>1,233,191</u>	<u>1,206,297</u>	<u>26,894</u>			
Capital Outlay:								
0081	Capital Outlay	--	100,000	96,269	3,731			
	Total Capital Outlay	<u>--</u>	<u>100,000</u>	<u>96,269</u>	<u>3,731</u>			
0099	Other Intergovernmental Charges	100,000	111,000	110,954	46			
	Total Intergovernmental Charges	<u>100,000</u>	<u>111,000</u>	<u>110,954</u>	<u>46</u>			
6030	Total Expenditures	<u>6,431,638</u>	<u>6,581,638</u>	<u>6,490,383</u>	<u>91,255</u>			
1100	Excess (Deficiency) of Revenues Over (Under)							
1100	Expenditures	30,000	(120,000)	1,116,027	1,236,027			
Other Financing Sources (Uses):								
7949	Other Resources	--	--	126,856	126,856			
8911	Transfers Out	(30,000)	(30,000)	(727,016)	(697,016)			
7080	Total Other Financing Sources and (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(600,160)</u>	<u>(570,160)</u>			
1200	Net Change in Fund Balance	--	(150,000)	515,867	665,867			
0100	Fund Balance - Beginning	4,292,408	4,292,408	4,292,408	--			
3000	Fund Balance - Ending	<u>\$ 4,292,408</u>	<u>\$ 4,142,408</u>	<u>\$ 4,808,275</u>	<u>\$ 665,867</u>			

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

	Fiscal Year						
	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0022987730%	0.0021005562%	0.0026117723%	0.0029138806%	0.0029963618%	0.0032749000%	0.0010636000%
\$	1,231,176 \$	1,091,935 \$	1,437,583 \$	931,702 \$	1,132,281 \$	1,157,634 \$	284,102
District's proportionate share of the net pension liability (asset)	2,777,630	2,475,472	2,969,034	1,930,781	2,333,989	2,407,201	1,964,023
State's proportionate share of the net pension liability (asset) associated with the District	4,008,806 \$	3,567,407 \$	4,406,617 \$	2,862,483 \$	3,466,270 \$	3,564,835 \$	2,248,125
Total	\$ 3,220,828 \$	2,826,384 \$	3,039,477 \$	2,862,483 \$	3,466,270 \$	3,564,835 \$	2,248,125
District's covered-employee payroll	38.23%	38.63%	47.30%	32.55%	32.67%	32.47%	12.64%
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	75.54%	72.24%	73.74%	82.10%	78.00%	78.43%	83.25%
Plan fiduciary net position as a percentage of the total pension liability							

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

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST TEN FISCAL YEARS \***

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015			
Contractually required contribution	\$ 100,852	\$ 95,081	\$ 75,596	\$ 88,049	\$ 95,500	\$ 94,906	\$ 96,970			
Contributions in relation to the contractually required contribution	(100,852)	(95,081)	(75,596)	(88,049)	(95,500)	(94,906)	(96,970)			
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --			
District's covered-employee payroll	\$ 3,646,697	\$ 3,220,828	\$ 2,826,384	\$ 3,039,477	\$ 3,187,057	\$ 3,159,022	\$ 3,240,100			
Contributions as a percentage of covered-employee payroll	2.77%	2.95%	2.67%	2.90%	3.00%	3.00%	2.99%			

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

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE

SHARE OF THE NET OPEB LIABILITY

TEACHER RETIREMENT SYSTEM OF TEXAS

LAST TEN FISCAL YEARS \*

	Measurement Year Ended			
	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0048128470%	0.0043890351%	0.0051284537%	0.0078259457%
District's proportionate share of the collective net OPEB liability	\$ 1,829,580	\$ 2,075,629	\$ 2,560,684	\$ 3,156,866
State proportionate share of the collective net OPEB liability associated with the District	2,458,518	2,758,046	2,657,476	2,572,008
Total	\$ <u>4,288,098</u>	\$ <u>4,833,675</u>	\$ <u>5,218,160</u>	\$ <u>5,728,874</u>
District's covered-employee payroll	\$ 3,220,828	\$ 2,826,384	\$ 3,039,477	\$ 3,187,057
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	56.80%	73.44%	84.25%	99.05%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

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

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

	Fiscal Year Ended			
	2021	2020	2019	2018
Statutorily or contractually required District contribution	\$ 50,130	\$ 42,129	\$ 35,777	\$ 42,434
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(50,130)	(42,129)	(35,777)	(42,434)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 3,646,697	\$ 3,220,828	\$ 2,826,384	\$ 3,039,477
Contributions as a percentage of covered-employee payroll	1.37%	1.31%	1.27%	1.40%

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

## **WOODSBORO INDEPENDENT SCHOOL DISTRICT**

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2021*

### Budget

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

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

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

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

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

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

### Defined Benefit Pension Plan

#### *Changes of benefit terms*

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

#### *Changes of assumptions*

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

### Other Post-Employment Benefit Plan

#### *Changes of benefit terms*

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

#### *Changes of assumptions*

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

*Combining Statements and Budget Comparisons  
as Supplementary Information*

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

## WOODSBORO INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 76,547	\$ --	\$ 1,519	\$ 78,066
1120	Current Investments	--	203,207	245,708	448,915
1225	Taxes Receivable, Net	--	10,913	--	10,913
1240	Due from Other Governments	110,458	--	--	110,458
1260	Due from Other Funds	84,488	18,492	--	102,980
1290	Other Receivables	--	2,474	--	2,474
1000	Total Assets	<u>\$ 271,493</u>	<u>\$ 235,086</u>	<u>\$ 247,227</u>	<u>\$ 753,806</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 25	\$ --	\$ 71,440	\$ 71,465
2160	Accrued Wages Payable	9,443	--	--	9,443
2170	Due to Other Funds	184,663	--	117,903	302,566
2300	Unearned Revenue	19,041	--	--	19,041
2000	Total Liabilities	<u>213,172</u>	<u>--</u>	<u>189,343</u>	<u>402,515</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
	Deferred Revenue	--	10,913	--	10,913
2600	Total Deferred Inflows of Resources	<u>--</u>	<u>10,913</u>	<u>--</u>	<u>10,913</u>
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	41,606	--	--	41,606
3480	Retirement of Long-Term Debt	--	224,173	--	224,173
3490	Other Restrictions of Fund Balance	16,715	--	--	16,715
Committed Fund Balances:					
3510	Construction	--	--	57,884	57,884
3000	Total Fund Balances	<u>58,321</u>	<u>224,173</u>	<u>57,884</u>	<u>340,378</u>
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 271,493</u>	<u>\$ 235,086</u>	<u>\$ 247,227</u>	<u>\$ 753,806</u>



**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

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

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 22,507	\$ 970,190	\$ 227	\$ 992,924
5800 <i>State Program Revenues</i>	636,474	16,200	--	652,674
5900 <i>Federal Program Revenues</i>	431,879	--	--	431,879
5020 <b>Total Revenues</b>	<u>1,090,860</u>	<u>986,390</u>	<u>227</u>	<u>2,077,477</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	214,806	--	--	214,806
0012 <i>Instructional Resources and Media Services</i>	(894)	--	--	(894)
0023 <i>School Leadership</i>	175	--	--	175
0033 <i>Health Services</i>	543	--	--	543
0034 <i>Student Transportation</i>	710	--	--	710
0035 <i>Food Service</i>	229,323	--	--	229,323
0036 <i>Cocurricular/Extracurricular Activities</i>	15,962	--	--	15,962
0041 <i>General Administration</i>	393	--	--	393
0051 <i>Facilities Maintenance and Operations</i>	23,943	--	--	23,943
0071 <i>Principal on Long-term Debt</i>	--	545,000	--	545,000
0072 <i>Interest on Long-term Debt</i>	--	371,062	--	371,062
0073 <i>Bond Issuance Costs and Fees</i>	--	1,486	--	1,486
0081 <i>Capital Outlay</i>	707,179	--	516,844	1,224,023
6030 <b>Total Expenditures</b>	<u>1,192,140</u>	<u>917,548</u>	<u>516,844</u>	<u>2,626,532</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(101,280)</u>	<u>68,842</u>	<u>(516,617)</u>	<u>(549,055)</u>
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	74,340	--	--	74,340
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>74,340</u>	<u>--</u>	<u>--</u>	<u>74,340</u>
1200 <b>Net Change in Fund Balances</b>	<u>(26,940)</u>	<u>68,842</u>	<u>(516,617)</u>	<u>(474,715)</u>
0100 <b>Fund Balances - Beginning</b>	69,114	155,331	574,501	798,946
1300 <b>Prior Period Adjustment</b>	16,147	--	--	16,147
	<u>85,261</u>	<u>155,331</u>	<u>574,501</u>	<u>815,093</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 58,321</u>	<u>\$ 224,173</u>	<u>\$ 57,884</u>	<u>\$ 340,378</u>

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	266 Cares Act Coronavirus Relief Fund (CRF)	270 ESEA, Title V Part B, Subpart ; Rural School	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 52,980	\$ 35,393	\$ (16,536)	\$ (30,230)
1240	Due from Other Governments	27,610	15,535	34,183	30,230
1260	Due from Other Funds	--	451	--	--
1000	Total Assets	<u>\$ 80,590</u>	<u>\$ 51,379</u>	<u>\$ 17,647</u>	<u>\$ --</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 25	\$ --	\$ --
2160	Accrued Wages Payable	--	9,443	--	--
2170	Due to Other Funds	80,590	305	17,647	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>80,590</u>	<u>9,773</u>	<u>17,647</u>	<u>--</u>
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	41,606	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>41,606</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 80,590</u>	<u>\$ 51,379</u>	<u>\$ 17,647</u>	<u>\$ --</u>

	277 Cares Act Coronavirus Relief Fund (CRF)	282 ESSER Fund III of the American Rescue Plan Act	410 State Textbook Fund	427 State Funded Special Revenue Fund	428 Rebuild Texas
2	\$ 14,430	\$ (2,900)	\$ (10,218)	\$ (2,128)	\$ --
	--	2,900	--	--	--
	--	--	10,218	2,128	71,691
	<u>\$ 14,430</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 71,691</u>
	\$ --	\$ --	\$ --	\$ --	\$ --
	--	--	--	--	--
	14,430	--	--	--	71,691
	--	--	--	--	--
	<u>14,430</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>71,691</u>
	--	--	--	--	--
	--	--	--	--	--
	<u>\$ 14,430</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 71,691</u>

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	429 State Funded Special Revenue Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 19,041	\$ 16,715	\$ 76,547
1240	Due from Other Governments	--	--	110,458
1260	Due from Other Funds	--	--	84,488
1000	Total Assets	<u>\$ 19,041</u>	<u>\$ 16,715</u>	<u>\$ 271,493</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ --	\$ 25
2160	Accrued Wages Payable	--	--	9,443
2170	Due to Other Funds	--	--	184,663
2300	Unearned Revenue	19,041	--	19,041
2000	Total Liabilities	<u>19,041</u>	<u>--</u>	<u>213,172</u>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	41,606
3490	Other Restrictions of Fund Balance	--	16,715	16,715
3000	Total Fund Balances	<u>--</u>	<u>16,715</u>	<u>58,321</u>
4000	Total Liabilities and Fund Balances	<u>\$ 19,041</u>	<u>\$ 16,715</u>	<u>\$ 271,493</u>

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

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting	266 Cares Act Coronavirus Relief Fund (CR)
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ 5,575	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	1,143	--	--
5900 <i>Federal Program Revenues</i>	145,095	202,120	17,216	26,858
5020 <i>Total Revenues</i>	<u>145,095</u>	<u>208,838</u>	<u>17,216</u>	<u>26,858</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	145,989	--	17,041	11,186
0012 <i>Instructional Resources and Media Services</i>	(894)	--	--	--
0023 <i>School Leadership</i>	--	--	175	--
0033 <i>Health Services</i>	--	--	--	543
0034 <i>Student Transportation</i>	--	--	--	710
0035 <i>Food Service</i>	--	229,131	--	192
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	148
0051 <i>Facilities Maintenance and Operations</i>	--	9,864	--	14,079
0081 <i>Capital Outlay</i>	--	--	--	--
6030 <i>Total Expenditures</i>	<u>145,095</u>	<u>238,995</u>	<u>17,216</u>	<u>26,858</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>	--	(30,157)	--	--
1100 <i>Expenditures</i>	--	--	--	--
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	2,649	--	--
7080 <i>Total Other Financing Sources and (Uses)</i>	--	2,649	--	--
1200 <i>Net Change in Fund Balances</i>	--	(27,508)	--	--
0100 <i>Fund Balances - Beginning</i>	--	69,114	--	--
1300 <i>Prior Period Adjustment</i>	--	--	--	--
<i>Fund Balances - Beginning, as Restated</i>	--	69,114	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ 41,606</u>	<u>\$ --</u>	<u>\$ --</u>

	270 ESEA, Title V Part B, Subpart 2 Rural School	282 ESSER Fund III of the American Rescue Plan Act	428 Rebuild Texas	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
F)	\$ --	\$ --	\$ 402	\$ 16,530	\$ 22,507
	--	--	635,331	--	636,474
	37,690	2,900	--	--	431,879
	<u>37,690</u>	<u>2,900</u>	<u>635,733</u>	<u>16,530</u>	<u>1,090,860</u>
	37,690	2,900	--	--	214,806
	--	--	--	--	(894)
	--	--	--	--	175
	--	--	--	--	543
	--	--	--	--	710
	--	--	--	--	229,323
	--	--	--	15,962	15,962
	--	--	245	--	393
	--	--	--	--	23,943
	--	--	707,179	--	707,179
	<u>37,690</u>	<u>2,900</u>	<u>707,424</u>	<u>15,962</u>	<u>1,192,140</u>
	--	--	(71,691)	568	(101,280)
	--	--	71,691	--	74,340
	--	--	<u>71,691</u>	--	<u>74,340</u>
	--	--	--	568	(26,940)
	--	--	--	--	69,114
	--	--	--	16,147	16,147
	--	--	--	16,147	85,261
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,715</u>	<u>\$ 58,321</u>

### *Other Supplementary Information*

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

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

Year Ended August 31	1 Tax Rates		2	3 Assessed/Appraised Value For School Tax Purposes	
	Maintenance	Debt Service			
2012 and Prior Years	\$ Various	\$ Various		\$ Various	
2013	1.0641	.3757		177,695,580	
2014	1.17	.19		285,087,470	
2015	1.17	.287		332,076,236	
2016	1.17	.30		321,874,260	
2017	1.17	.30		308,086,015	
2018	1.17	.33		283,302,575	
2019	1.17	.345		279,481,820	
2020	1.068	.3324		296,616,229	
2021 (School Year Under Audit)	.98	.21		336,578,480	

1000 Totals

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



EXHIBIT J-1

10 Beginning Balance 9/1/20	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/21
\$ 125,281	\$ --	\$ 526	\$ 41	\$ --	\$ 124,714
15,218	--	52	19	--	15,147
14,205	--	67	11	--	14,127
18,168	--	543	133	(366)	17,126
21,646	--	861	221	(684)	19,881
29,739	--	2,382	611	(814)	25,932
28,966	--	3,579	1,009	(1,417)	22,962
34,830	--	6,647	1,960	(1,534)	24,688
57,139	--	20,482	6,375	(1,091)	29,192
--	5,541,706	3,226,246	691,338	(1,578,018)	46,104
<u>\$ 345,191</u>	<u>\$ 5,541,706</u>	<u>\$ 3,261,385</u>	<u>\$ 701,718</u>	<u>\$ (1,583,924)</u>	<u>\$ 339,870</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT J-2

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 1,200	\$ 5,575	\$ 4,375
5800 <i>State Program Revenues</i>	1,000	1,143	143
5900 <i>Federal Program Revenues</i>	252,000	202,120	(49,880)
5020 <b>Total Revenues</b>	<u>254,200</u>	<u>208,838</u>	<u>(45,362)</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	237,700	229,131	8,569
Total Support Services - Student (Pupil)	<u>237,700</u>	<u>229,131</u>	<u>8,569</u>
Support Services - Nonstudent Based:			
0051 <i>Plant Maintenance and Operations</i>	16,500	9,864	6,636
Total Support Services - Nonstudent Based	<u>16,500</u>	<u>9,864</u>	<u>6,636</u>
6030 <b>Total Expenditures</b>	<u>254,200</u>	<u>238,995</u>	<u>15,205</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	--	(30,157)	(30,157)
Other Financing Sources (Uses):			
7915 <i>Transfers In</i>	--	2,649	2,649
7080 Total Other Financing Sources and (Uses)	--	2,649	2,649
1200 Net Change in Fund Balance	--	(27,508)	(27,508)
0100 Fund Balance - Beginning	69,114	69,114	--
3000 Fund Balance - Ending	<u>\$ 69,114</u>	<u>\$ 41,606</u>	<u>\$ (27,508)</u>

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 930,000	\$ 970,190	\$ 40,190
5800 <i>State Program Revenues</i>	--	16,200	16,200
5020 <i>Total Revenues</i>	<u>930,000</u>	<u>986,390</u>	<u>56,390</u>
<b>EXPENDITURES:</b>			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	551,000	545,000	6,000
0072 <i>Interest on Long-Term Debt</i>	374,500	371,062	3,438
0073 <i>Bond Issuance Costs and Fees</i>	4,500	1,486	3,014
<i>Total Debt Service</i>	<u>930,000</u>	<u>917,548</u>	<u>12,452</u>
6030 <i>Total Expenditures</i>	<u>930,000</u>	<u>917,548</u>	<u>12,452</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	--	68,842	68,842
1200 <i>Net Change in Fund Balance</i>	--	68,842	68,842
0100 <i>Fund Balance - Beginning</i>	155,331	155,331	--
3000 <i>Fund Balance - Ending</i>	<u>\$ 155,331</u>	<u>\$ 224,173</u>	<u>\$ 68,842</u>



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

GOWLAND, STREALLY, MORALES & COMPANY, PLLC

Certified Public Accountants

Independent Auditor's Report on 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  
Woodsboro Independent School District  
P.O. Drawer 770  
Woodsboro, Texas 78393

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 Woodsboro Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Woodsboro Independent School District's basic financial statements and have issued our report thereon dated December 16, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-1, that we consider to be significant deficiencies.

## Compliance and Other Matters

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

## Woodsboro Independent School District's Response to Findings

Woodsboro Independent School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Woodsboro Independent School District's response was not subjected to the 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 of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Gowland, Streatly, Morales & Company

Corpus Christi, Texas  
December 16, 2021

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?        Yes   X   No

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

Noncompliance material to financial statements noted?        Yes   X   No

B. Financial Statement Findings

2021-1

Condition:

Reconciliations were not properly prepared during the year for the due from/to and payroll liability accounts creating year end adjustments to correct numerous accounts.

Criteria:

Accounts should be completed and reconciled to the general ledger throughout the year on a timely basis.

Cause:

Prior HR personnel lacked adequate training to ensure accurate reconciliation's were completed in a timely manner. Additionally, the finance office worked to correct past reconciliation's and did not see the discrepancy until late in the fiscal year.

Effect or Potential Effect:

Accurate and timely monthly reconciliations reduce the risk that errors will remain undetected and uncorrected. Without effective accounting controls, general ledger accounts may be inaccurate and incomplete, funds may not be accounted for properly and balances may not be reliable.

Recommendation:

The District should continue to monitor the the general ledger to ensure reconciliations are completed accurately and timely each month.

**WOODSBORO INDEPENDENT SCHOOL DISTRICT**

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

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
<p>As a result of COVID-19 the District closed down operations from March - June. In addition to the COVID-19 pandemic, needs related to HB3, insurance claims and FEMA negotiations, the finance department experienced difficulty completing tasks while restricting employees to 40 hour work weeks. The Business department also lacked full understanding of school finance. Oversight of business operations was intermittent during the COVID-19 crisis which enabled monthly reconciliations to be overlooked.</p>		
<p>The District should establish procedures to ensure reconciliations are completed accurately and timely each month.</p>	<p>Partially Implemented Reconciliations were prepared on most of the accounts, but the Due From/To and Payroll Liability Accounts still need to be reconciled monthly</p>	<p>The district hired a new business manager last year to address several of the operational abnormalities found in the 2019-20 financial audit. Additionally the district contracted a former district Business manager to assist in reconciling the past due requisitions and audit current requisitions for the 2020-21 fiscal year. Unfortunately the number of corrections required took most of the fiscal year to complete. As a result, the Payroll, Due from/To, accounts were noticed in very late in the fiscal year. At the time of this writing, the Payroll reconciliations accounts are current for the present fiscal year. Additionally, the district also experienced a change in the Human Resource position. The District has hired a new HR position, and is currently providing training to the new staff member</p>

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

This is what was written last year and will need to be updated.

2021-1

Corrective Actions:

1. The business manager will continue training in Skyward finance practices with Region 12.
2. New staffing for the Human Resource position, and regular training for new personnel.
3. The business manager will continue to submit monthly skyward statements to the superintendent of schools and school board (included in board report) showing reconciliations in skyward system.
4. The District has contracted services with Karyn Borden to audit financial statements monthly.
5. The District has contracted with Region 3 to audit financial statements related to governmental grants.
6. Business manager has enrolled in TASSO - Certified Texas School Business Official (CTSBO) program, and will complete in the 2021-22 school year.

Evaluation timelines:

1. Monthly reports to superintendent and School Board
1. Quarterly reports to superintendent regarding CTSBO program



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

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