

**South San Antonio  
Independent School District**  
Annual Financial Report  
For the Fiscal Year Ended August 31, 2021

**South San Antonio Independent School District**  
 Annual Financial Report  
 For the Fiscal Year Ended August 31, 2021  
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**Certificate of the Board**

**South San Antonio Independent School District**

Name of School District

**Bexar**

County

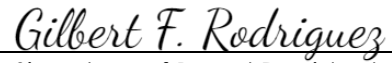
**015-908**

Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and   X   approved        disapproved for the fiscal year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the   19   day of January, 2022.



Signature of Board Secretary



Signature of Board President

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

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# Financial Section

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## Independent Auditor's Report

To the Board of Trustees of  
South San Antonio Independent School District  
San Antonio, Texas

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

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



***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, during the year ended August 31, 2021, the District implemented Governmental Accounting Standard Board (GASB) Statement No. 84, Fiduciary Activities. Beginning net position for the fiduciary funds have been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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.

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South San Antonio Independent School District's basic financial statements. The Supplementary Information and Schedule of Required Responses to Selected School FIRST Indicators, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The Board of Trustees of  
South San Antonio Independent School District

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering South San Antonio Independent School District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
January 14, 2022

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## Management's Discussion and Analysis

As management of the South San Antonio Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2021. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation, net taxes receivable, total other postemployment benefit and net pension liability.

### Financial Highlights

- Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at year-end by \$43,598,177 (net position). Of this amount, unrestricted net position was negative \$52,047,780.
- The District's total net position decreased by \$6,902,094.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$34,302,045, an increase of \$2,060,555 as compared to the preceding year.
- At the end of the year, fund balance of the general fund was \$29,782,877, or 37 percent of the year's total general fund expenditures.
- The District's net bonded debt decreased by \$5,608,211 (3.4 percent) during the year.

### Overview of the Financial Statements

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

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

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the year. Changes in net position are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes, intergovernmental revenues, and charges for services. The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Cocurricular/Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, Payments to Juvenile Justice Alternative Education Programs, Facilities Repair and Maintenance, and Other Intergovernmental Charges.*

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

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

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

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

The District maintained thirty-three individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and ESSER III, which are considered to be major funds. Data from the other thirty governmental funds are combined into a single, aggregated presentation titled *total nonmajor funds*.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

**Proprietary Fund.** The District maintains one type of propriety fund – *Internal Service Funds*.

The District uses internal service funds to account for the management of its workers' compensation and medical insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements are noted in the table of contents of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of students and other organizations that benefit the students and the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District’s own programs and activities. A statement of net position and statement of changes are is presented for fiduciary funds, as noted in the table of contents of this report.

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are noted in the table of contents of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

**Government-wide Financial Analysis**

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District’s most recent fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at year-end by \$43,598,177.

**South San Antonio Independent School District's Net Position**

	Governmental Activities	
	2021	2020
Current and other assets	\$ 47,186,077	\$ 48,071,001
Capital assets, net of accumulated depreciation	<u>149,934,510</u>	<u>156,773,919</u>
Total assets	197,120,587	204,844,920
Total deferred outflows of resources	20,157,663	24,453,088
Other liabilities	9,169,737	11,145,732
Long-term liabilities outstanding	<u>221,729,660</u>	<u>230,618,098</u>
Total liabilities	230,899,397	241,763,830
Total deferred inflows of resources	29,977,030	24,230,261
Net position:		
Net investment in capital assets	6,179,548	11,162,322
Restricted	2,270,055	2,024,915
Unrestricted	<u>(52,047,780)</u>	<u>(49,883,320)</u>
<b>Total net position</b>	<u><u>\$ (43,598,177)</u></u>	<u><u>\$ (36,696,083)</u></u>

The largest portion of the District’s net position is net investment in capital assets, representing the District’s investment in capital assets (e.g., land and improvements, buildings and improvements, and furniture and equipment), less any related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position of \$2,270,055, which is the next largest positive category of net position, is restricted for capital projects, grant expenditures and other purposes. *Unrestricted* net position of negative \$52,047,780 represents the unrestricted net position of the District, which is mainly negative due to the recognition of the District's Pension and OPEB liability following the implementation of GASB Statement No. 68 & No. 75.

**Governmental Activities.** Governmental activities decreased the District's net position by \$6,902,094 from current operations. Key elements of this change may be determined from the table below.

**South San Antonio Independent School District Changes in Net Position**

	Governmental Activities	
	2021	2020
Revenue:		
Program revenues:		
Charges for services	\$ 136,939	\$ 693,183
Operating grants and contributions	30,425,867	29,468,576
General revenues:		
Property taxes, levied for general purposes	18,206,570	17,672,760
Property taxes, levied for debt service	9,490,914	8,745,859
Grants and contributions not restricted to specific programs	54,286,344	55,569,631
Investment earnings	51,106	606,156
Gain on sale of capital asset	41,061	-
Miscellaneous	2,381,127	681,329
	<b>115,019,928</b>	<b>113,437,494</b>
Expenses:		
Instruction	60,619,170	62,841,679
Instructional resources and media services	1,511,958	1,687,533
Curriculum and instructional staff development	4,372,058	3,865,104
Instructional leadership	2,298,511	2,052,505
School leadership	6,540,949	6,760,711
Guidance, counseling, and evaluation services	4,007,612	3,952,678
Social work services	288,016	300,139
Health services	1,707,223	1,677,903
Student transportation	2,124,378	2,305,323
Food services	5,780,619	6,349,741
Cocurricular/extracurricular activities	2,215,161	1,976,906
General administration	5,796,898	3,753,503
Plant maintenance and operations	12,119,816	11,663,541
Security and monitoring services	1,098,804	1,397,285
Data processing services	1,880,839	1,846,758
Community services	1,007,403	953,530
Interest on long-term debt	8,111,813	5,187,358
Issuance costs and fees	148,886	720,564
Facilities acquisition and construction	106,380	-
Payments to related shared service arrangements	61,512	77,985
Other intergovernmental charges	124,016	122,552
	<b>121,922,022</b>	<b>119,493,298</b>
Decrease in net position before transfers	(6,902,094)	(6,055,804)
Transfers	-	-
	<b>(6,902,094)</b>	<b>(6,055,804)</b>
Change in net position	(6,902,094)	(6,055,804)
Net position - beginning	(36,696,083)	(30,640,279)
<b>Net position - ending</b>	<b>\$ (43,598,177)</b>	<b>\$ (36,696,083)</b>

Revenues are generated primarily from two sources. Grants and contributions from the state, federal government, and other sources (program and general revenues) totaling \$84,712,211 represent 74 percent of total revenues and property taxes totaling \$27,697,484 represent 24 percent of total revenues. The remaining 2 percent is generated from charges for services, investment earnings, and miscellaneous sources. The overall increase to revenue is a result of additional state funding resulting from the passage of Texas House Bill 3 (HB3), increase in property taxes revenue as a result of an increase in values, revenue from the 2020 series and 2021 series tax notes, and an increase in pension contributions from the state.

The primary functional expenses of the District are *Instruction services* \$60,619,170, which represents 50 percent of total expenses while all remaining expense categories are individually 10 percent or less of total expenses. The overall expenses increased due to increases in payroll expenses resulting from employee raises due to the passage of Texas House Bill 3 (HB3).

### **Financial Analysis of the Government's Funds**

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

**Governmental Funds.** At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$34,302,045, an increase of \$2,060,555 from the preceding year. Comments as to each individual major fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$29,049,031, while total fund balance was \$29,782,877. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36 percent of total general fund expenditures, while total fund balance represents 37 percent of that same total. The fund balance of the general fund increased \$2,090,503 during the year. The increase in general fund balance was mainly due to the increase in property tax revenue resulting from an increase in values, additional revenue from the 2020 series and 2021 series tax notes, and the increase in state funding from the passage of HB3.

The Elementary and Secondary School Emergency Relief (ESSER) fund ended the year with a zero fund balance. The ESSER fund was created in the current year to account for emergency relief funds due to the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation.

The debt service fund ended the year with a total fund balance of \$2,184,747, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$41,971 during the year, primarily due to the increase in property tax revenues from an increase in values. Worth noting, the increase in revenue is offset by the increase in debt payments.

Governmental funds financial statements may be found by referring to the table of contents.

**Proprietary Funds.** The District's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the District's business-type activities.



## Budgetary Highlights

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund for board approval. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2021, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were no material changes between the original budget and the final amended budget. The general fund's actual revenues were more than the budgeted revenues by \$929,625 and the budgeted expenditures exceeded actual expenditures by \$10,066,192.

The budget was adopted using the \$0.9112 maintenance and operations rate in addition to the debt service rate of \$.48.

## Capital Assets and Long-term Liabilities

**Capital Assets.** The District's investment in capital assets for its governmental activities as of August 31, 2021 was \$149,934,510 (net of accumulated depreciation). Depreciation expense for the year of \$10,008,441 was also recognized together with the capital asset additions resulted in a net decrease to capital assets of (\$6,839,409). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and construction in progress.

### South San Antonio Independent School District's Capital Assets (Net of Depreciation)

	Governmental Activities	
	2021	2020
	Amount	Amount
Land and improvements	\$ 2,796,842	\$ 2,796,842
Buildings and improvements	142,446,620	148,924,446
Furniture and equipment	3,838,227	4,437,216
Construction in progress	852,821	615,415
<b>Totals</b>	<b>\$ 149,934,510</b>	<b>\$ 156,773,919</b>

Additional information on the District's capital assets can be found in the notes to the financial statements as per the table of contents of this report.

**Long-term Liabilities.** At year-end, the District had the following long-term liabilities:

**South San Antonio Independent School District's Outstanding Long-term Liabilities**

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$134,373,328	60	\$141,294,843	60	\$ (6,921,515)	(5)
Notes payable	5,975,000	3	-	-	5,975,000	100
Compensated absences	1,146,041	1	1,345,175	1	(199,134)	(15)
Unamortized premium	9,412,535	4	10,436,214	5	(1,023,679)	(10)
Accreted interest	13,661,455	6	11,324,472	5	2,336,983	21
Net pension liability	28,679,643	13	30,284,965	13	(1,605,322)	(5)
Net OPEB liability	28,481,658	13	35,932,429	16	(7,450,771)	(21)
<b>Totals</b>	<b>\$221,729,660</b>	<b>100</b>	<b>\$230,618,098</b>	<b>100</b>	<b>\$ (8,888,438)</b>	

The District's net bonded debt, which include general obligation bonds, unamortized premiums and accreted interest, decreased by \$5,608,211 (3.4 percent) during the current fiscal year, which resulted primarily from required payments. The debt is supported by the full faith and credit of the District, as further guaranteed by the Permanent School Fund of the State of Texas.

State statutes do not limit the tax rate or amount of local tax support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt can be found in the notes to the financial statements as per the table of contents of this report.

**Economic Factors and Next Year's Budgets and Rates**

The South San Antonio Independent School District is located in the well-established south and southwest portion of San Antonio, covering 21 square miles. The economic growth in line with the broader metropolitan area, with upcoming developments including several hundreds of new single-family homes, about 70 units of townhomes, and 260 apartment complex units coming online in the next several years.

The District's Board of Trustees adopted a Maintenance & Operation tax rate of \$0.8948 and an Interest & Sinking tax rate of \$0.49 for a total of \$1.3848 per \$100 of property valuation.

The District estimated ADA to be 7,267 in the development of the 2021-2022 budget which was consistent with the recent year's enrollment trends

Fitch Ratings and S&P Global Ratings revised its outlook to stable from negative and affirmed its 'A' underlying rating on South San Antonio Independent School District (ISD), Texas' general obligation (GO) debt outstanding.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact the South San Antonio Independent School District business office at 1450 Gillette Blvd., San Antonio, Texas.

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# Basic Financial Statements

South San Antonio Independent School District  
Statement of Net Position  
August 31, 2021

Exhibit A-1

<u>Data Control Codes</u>		<u>Governmental Activities</u>
<b>ASSETS</b>		
1110	Cash and cash equivalents	\$ 6,113,928
1120	Current investments	27,340,941
1220	Property taxes receivables	2,218,800
1230	Allowance for uncollectible taxes	(221,881)
1240	Due from other governments	11,457,187
1290	Other receivables	183,322
1300	Inventories	64,366
1410	Prepaid items	29,414
	Capital assets, not being depreciated:	
1510	Land and improvements	2,796,842
1580	Construction in progress	852,821
	Capital assets, net of depreciation:	
1520	Buildings and improvements (net)	142,446,620
1530	Furniture and equipment (net)	3,838,227
		<hr/>
1000	Total assets	197,120,587
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1705	Deferred outflows - pension	10,673,778
1706	Deferred outflows - OPEB	3,819,832
1710	Deferred charge on refunding	5,664,053
		<hr/>
1700	Total deferred outflows of resources	20,157,663
<b>LIABILITIES</b>		
2110	Accounts payable	2,459,576
2140	Interest payable	243,323
2150	Payroll deductions and withholdings	813,288
2160	Accrued wages payable	4,196,115
2180	Due to other governments	756,598
2200	Accrued liabilities	622,878
2300	Unearned revenue	77,959
	Noncurrent liabilities:	
2501	Due within one year	7,421,234
2502	Due in more than one year	157,147,125
2540	Net pension liabilities	28,679,643
2545	Net OPEB liability	28,481,658
		<hr/>
2000	Total liabilities	230,899,397
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2605	Deferred inflows - pension	6,339,188
2606	Deferred inflows - OPEB	23,637,842
		<hr/>
2600	Total deferred inflows of resources	29,977,030
<b>NET POSITION</b>		
3200	Net investment in capital assets	6,179,548
3820	Restricted for grants	1,075,636
3860	Restricted for capital projects	341,848
3890	Restricted for other purposes	852,571
3900	Unrestricted	(52,047,780)
		<hr/>
3000	<b>TOTAL NET POSITION</b>	<b>\$ (43,598,177)</b>

The Notes to the Financial Statements are an integral part of this statement.

# South San Antonio Independent School District

# Exhibit B-1

## Statement of Activities

For the Fiscal Year Ended August 31, 2021

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Program Revenues		Governmental Activities
			Charges for Services	Operating Grants and Contributions	
<b>PRIMARY GOVERNMENT</b>					
Governmental activities:					
0011	Instruction	\$ 60,619,170	\$ 895	\$ 11,164,615	\$ (49,453,660)
0012	Instructional resources and media services	1,511,958	-	111,737	(1,400,221)
0013	Curriculum and instructional staff development	4,372,058	-	3,702,496	(669,562)
0021	Instructional leadership	2,298,511	-	578,156	(1,720,355)
0023	School leadership	6,540,949	-	678,167	(5,862,782)
0031	Guidance, counseling, and evaluation services	4,007,612	-	805,766	(3,201,846)
0032	Social work services	288,016	-	23,386	(264,630)
0033	Health services	1,707,223	-	271,392	(1,435,831)
0034	Student transportation	2,124,378	-	341,378	(1,783,000)
0035	Food services	5,780,619	41,299	5,293,655	(445,665)
0036	Cocurricular/extracurricular activities	2,215,161	52,934	197,377	(1,964,850)
0041	General administration	5,796,898	-	396,258	(5,400,640)
0051	Plant maintenance and operations	12,119,816	41,811	1,707,136	(10,370,869)
0052	Security and monitoring services	1,098,804	-	134,960	(963,844)
0053	Data processing services	1,880,839	-	453,721	(1,427,118)
0061	Community services	1,007,403	-	701,610	(305,793)
0072	Interest on long-term debt	8,111,813	-	3,803,410	(4,308,403)
0073	Issuance costs and fees	148,886	-	-	(148,886)
0081	Facilities acquisition and construction	106,380	-	56,982	(49,398)
0093	Payments related to shared services arrangements	61,512	-	1,215	(60,297)
0099	Other intergovernmental charges	124,016	-	2,450	(121,566)
TG	Total governmental activities	121,922,022	136,939	30,425,867	(91,359,216)
TP	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 121,922,022</b>	<b>\$ 136,939</b>	<b>\$ 30,425,867</b>	<b>(91,359,216)</b>
General revenues:					
MT	Property taxes, levied for general purposes				18,206,570
DT	Property taxes, levied for debt service				9,490,914
GC	Grants and contributions not restricted to specific programs				54,286,344
IE	Investment earnings				51,106
GS	Gain on sale of capital asset				41,061
MI	Miscellaneous				2,381,127
TR	Total general revenues and extraordinary items				84,457,122
CN	Change in net position				(6,902,094)
	Net position - beginning				(36,696,083)
NE	<b>NET POSITION - ENDING</b>				<b>\$ (43,598,177)</b>

The Notes to the Financial Statements are an integral part of this statement.

# South San Antonio Independent School District

Balance Sheet  
 Governmental Funds  
 August 31, 2021

<b>Data Control Codes</b>		<b>199</b>	<b>282</b>
		<b><u>General Fund</u></b>	<b><u>ESSER III</u></b>
<b>ASSETS</b>			
1110	Cash and cash equivalents	\$ 2,667,238	\$ -
1120	Current investments	24,223,175	-
1220	Property taxes receivables	1,543,973	-
1230	Allowance for uncollectable taxes	(154,398)	-
1240	Due from other governments	4,553,431	3,446,339
1260	Due from other funds	4,977,742	-
1290	Other receivables	12,041	-
1300	Inventories	-	-
1410	Prepaid items	9,532	-
		<hr/>	<hr/>
1000	Total assets	37,832,734	3,446,339
		<hr/>	<hr/>
1000a	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 37,832,734</u></b>	<b><u>\$ 3,446,339</u></b>
<b>LIABILITIES</b>			
2110	Accounts payable	\$ 1,483,996	\$ 487,200
2150	Payroll deductions and withholdings	813,288	-
2160	Accrued wages payable	3,974,625	-
2170	Due to other funds	146,875	2,959,139
2180	Due to other governments	240,627	-
2200	Accrued liabilities	10,750	-
2300	Unearned revenue	-	-
		<hr/>	<hr/>
2000	Total liabilities	6,670,161	3,446,339
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	Unavailable revenue - property taxes	1,379,696	-
		<hr/>	<hr/>
	Total deferred inflows of resources	1,379,696	-
<b>FUND BALANCES</b>			
3410	Nonspendable - inventories	-	-
3430	Nonspendable - prepaid items	9,532	-
3450	Restricted - grants	-	-
3470	Restricted - capital acquisitions and contractual obligations	-	-
3480	Restricted - debt service	-	-
3490	Restricted - other	-	-
3545	Committed - other	724,314	-
3600	Unassigned	29,049,031	-
		<hr/>	<hr/>
3000	Total fund balances	29,782,877	-
		<hr/>	<hr/>
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 37,832,734</u></b>	<b><u>\$ 3,446,339</u></b>

The Notes to the Financial Statements are an integral part of this statement.

599	Total	98
Debt Service	Nonmajor	Total
Fund	Funds	Governmental
Funds	Funds	Funds
\$ 4,872	\$ 2,037,815	\$ 4,709,925
2,117,085	3,894	26,344,154
674,827	-	2,218,800
(67,483)	-	(221,881)
485,022	2,972,395	11,457,187
19,042	-	4,996,784
-	-	12,041
-	64,366	64,366
-	-	9,532
3,233,365	5,078,470	49,590,908
\$ 3,233,365	\$ 5,078,470	\$ 49,590,908
\$ -	\$ 482,682	\$ 2,453,878
-	-	813,288
-	221,491	4,196,116
-	1,890,522	4,996,536
444,577	71,394	756,598
-	-	10,750
-	77,960	77,960
444,577	2,744,049	13,305,126
604,041	-	1,983,737
604,041	-	1,983,737
-	64,366	64,366
-	-	9,532
-	1,075,636	1,075,636
-	341,848	341,848
2,184,747	-	2,184,747
-	852,571	852,571
-	-	724,314
-	-	29,049,031
2,184,747	2,334,421	34,302,045
\$ 3,233,365	\$ 5,078,470	\$ 49,590,908



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**South San Antonio Independent School District**  
 Reconciliation of the Governmental Funds Balance  
 Sheet to the Statement of Net Position  
 August 31, 2021

**Exhibit C-1R**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1)** \$ 34,302,045

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets, excluding those capital assets reported in the internal service funds, at year-end consists of:

Governmental capital assets costs	\$ 310,561,860	
Accumulated depreciation of governmental capital assets	<u>(160,627,350)</u>	149,934,510

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures are deferred in the funds.		1,983,737
---	--	-----------

Long-term liabilities, including bonds payable, loan payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (134,373,328)	
Premiums on bonds payable	(9,412,534)	
Deferred charge on refunding adjustment	5,664,053	
Accreted interest on capital appreciation bonds	(13,661,455)	
Accrued interest on bonds	(238,029)	
Compensated absences	(1,146,041)	
Notes payable	(5,975,000)	
Accrued interest on notes	(5,294)	
Net pension liability	(28,679,643)	
Net OPEB liability	<u>(28,481,658)</u>	(216,308,929)

The internal service funds are used by the District to charge the costs of various services to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities:

Group benefits - health care	\$ 1,391,475	
Workers' compensation fund	<u>582,405</u>	1,973,880

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		10,673,778
--	--	------------

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(6,339,188)
--	--	-------------

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		3,819,832
---	--	-----------

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		<u>(23,637,842)</u>
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**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1)** \$ (43,598,177)

**South San Antonio Independent School District**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances – Governmental Funds**  
**For the Fiscal Year Ended August 31, 2021**

Data Control Codes		199	282
		General Fund	ESSER III
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ 18,301,518	\$ -
5800	State program revenues	57,539,712	-
5900	Federal program revenues	2,665,668	2,937,379
5020	Total revenues	78,506,898	2,937,379
<b>EXPENDITURES</b>			
Current:			
0011	Instruction	45,599,986	1,606,318
0012	Instructional resources and media services	1,266,708	18,979
0013	Curriculum and instructional staff development	638,620	46,231
0021	Instructional leadership	1,041,882	22,739
0023	School leadership	5,498,774	88,792
0031	Guidance, counseling, and evaluation services	3,064,624	89,656
0032	Social work services	285,210	4,058
0033	Health services	1,415,622	109,904
0034	Student transportation	1,536,434	47,681
0035	Food services	-	103,465
0036	Cocurricular/extracurricular activities	2,273,047	7,171
0041	General administration	3,273,582	80,514
0051	Plant maintenance and operations	9,952,374	582,951
0052	Security and monitoring services	980,203	17,247
0053	Data processing services	1,431,513	101,390
0061	Community services	307,093	10,283
Debt service:			
0071	Principal on long-term debt	25,000	-
0072	Interest on long-term debt	14,570	-
0073	Issuance costs and fees	95,550	-
Capital outlay:			
0081	Facilities acquisition and construction	2,541,897	-
Intergovernmental:			
0093	Payments related shares services arrangements	61,512	-
0099	Other intergovernmental charges	124,016	-
6030	Total expenditures	81,428,217	2,937,379
1100	Excess (deficiency) of revenues over (under) expenditures	(2,921,319)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
7912	Sale of real and personal property	11,822	-
7914	Loan proceeds	6,000,000	-
7915	Transfers in	-	-
8911	Transfers out	(1,000,000)	-
7080	Total other financing sources (uses)	5,011,822	-
1200	Net change in fund balances	2,090,503	-
0100	Fund balances - beginning	27,692,374	-
3000	<b>FUND BALANCES - ENDING</b>	<b>\$ 29,782,877</b>	<b>\$ -</b>

The Notes to the Financial Statements are an integral part of this statement.

599		
Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 9,534,107	\$ 547,093	\$ 28,382,718
2,830,697	1,087,111	61,457,520
970,043	15,841,383	22,414,473
13,334,847	17,475,587	112,254,711
-	5,706,374	52,912,678
-	37,089	1,322,776
-	3,098,000	3,782,851
-	885,214	1,949,835
-	188,865	5,776,431
-	399,735	3,554,015
-	-	289,268
-	37,469	1,562,995
-	190,091	1,774,206
-	5,044,948	5,148,413
-	37,710	2,317,928
-	79,477	3,433,573
-	723,369	11,258,694
-	58,686	1,056,136
-	268,423	1,801,326
-	587,858	905,234
6,921,515	-	6,946,515
6,343,025	-	6,357,595
28,336	-	123,886
-	233,439	2,775,336
-	-	61,512
-	-	124,016
13,292,876	17,576,747	115,235,219
41,971	(101,160)	(2,980,508)
-	29,241	41,063
-	-	6,000,000
-	-	-
-	-	(1,000,000)
-	29,241	5,041,063
41,971	(71,919)	2,060,555
2,142,776	2,406,340	32,241,490
\$ 2,184,747	\$ 2,334,421	\$ 34,302,045

**South San Antonio 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 Fiscal Year Ended August 31, 2021

**Exhibit C-2R**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2)** \$ 2,060,555

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are capitalized and allocated over their estimated useful lives as depreciation expense.

Capital assets increased	\$ 3,169,032	
Depreciation expense	<u>(10,008,441)</u>	(6,839,409)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. 49,131

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 6,921,515

Issuance of note payable provides current financial resources to governmental funds and deferred inflow of resources for funds not received within the availability period, but issuing debt increases long-term liabilities in the statement of net position. (6,000,000)

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 25,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The change reported in the statement of activities consists of the following:

Accrued interest on bonds payable (increased) decreased	\$ (5,213)	
Interest accreted on the capital appreciation bonds	(3,145,468)	
Accreted interest on the capital appreciation bonds paid	808,485	
Amortization of bond premium	1,023,679	
Amortization of deferred charge on refunding	(455,407)	
Accrued interest on notes payable increased	<u>(5,293)</u>	(1,779,217)

The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 199,134

An internal service fund is used by the District to charge the costs of various services to the individual funds. The net activity of the following internal service funds is reported in the government-wide statements:

Group benefits - health care	\$ (1,710,334)	
Workers' compensation fund	<u>702,225</u>	(1,008,109)

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (3,327,831)	
Deferred inflows (increased) decreased	(181,884)	
Net pension liability (increased) decreased	<u>1,605,322</u>	(1,904,393)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (512,187)	
Deferred inflows (increased) decreased	(5,564,885)	
Net OPEB liability (increased) decreased	<u>7,450,771</u>	<u>1,373,699</u>

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)** \$ (6,902,094)

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District  
Statement of Net Position  
Proprietary Funds  
August 31, 2021

Exhibit D-1

<u>Data Control Codes</u>		<u>Governmental Activities Total Internal Service Funds</u>
	<b>ASSETS</b>	
	Current assets:	
1110	Cash and cash equivalents	\$ 1,606,830
1120	Current investments	793,960
1290	Other receivables	171,281
1410	Prepaid items	<u>19,882</u>
1000	Total assets	2,591,953
	<b>LIABILITIES</b>	
	Current liabilities:	
2110	Accounts payable	5,697
2170	Due to other funds	248
2200	Accrued liabilities	<u>612,128</u>
	Total current liabilities	<u>618,073</u>
2000	Total liabilities	618,073
	<b>NET POSITION</b>	
3900	Unrestricted	<u>1,973,880</u>
3000	<b>TOTAL NET POSITION</b>	<u>\$ 1,973,880</u>

The Notes to the Financial Statements are an integral part of this statement.

**South San Antonio Independent School District**  
Statement of Revenues, Expenses, and Changes  
in Net Position – Proprietary Funds  
For the Fiscal Year Ended August 31, 2021

**Exhibit D-2**

<u>Data Control Codes</u>	<u>Governmental Activities Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>	
5700 Local and Intermediate Sources	\$ 6,938,410
5020 Total operating revenues	6,938,410
<b>OPERATING EXPENSES</b>	
6100 Payroll costs	138,314
6200 Professional and contracted services	1,426,064
6400 Other operating costs	7,382,141
6030 Total operating expenses	8,946,519
1100 Operating income (loss)	(2,008,109)
Income before contributions and transfers	(2,008,109)
7915 Transfers in	2,500,000
8911 Transfers out	(1,500,000)
1200 Change in net position	(1,008,109)
0100 Net position - beginning	2,981,989
3000 <b>NET POSITION - ENDING</b>	<u>\$ 1,973,880</u>

The Notes to the Financial Statements are an integral part of this statement.

**South San Antonio Independent School District**  
Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended August 31, 2021

**Exhibit D-3**

	<u>Governmental Activities Total Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from services provided	\$ 7,020,613
Cash payments for claims	(8,839,782)
Cash payments to employees for services	(164,377)
	<u>(1,983,546)</u>
Net cash provided (used) by operating activities	<u>(1,983,546)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	2,500,000
Transfers to Other Funds	(1,500,000)
	<u>1,000,000</u>
Net cash provided (used) by noncapital financing activities	1,000,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sale of investments	1,733,780
	<u>1,733,780</u>
Net cash provided (used) by investing activities	<u>1,733,780</u>
Net increase in cash and cash equivalents	750,234
Cash and cash equivalents - beginning	856,596
	<u>1,606,830</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 1,606,830</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ (2,008,109)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in:	
Other receivables	82,878
Prepaid items	(19,882)
Accounts payable	(11,693)
Claims payable	(57,452)
Accrued wages payable	31,389
Unearned revenue	(677)
	<u>(677)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (1,983,546)</u>

The Notes to the Financial statements are an integral part of this statement.



South San Antonio Independent School District  
Statement of Net Position  
Fiduciary Funds  
August 31, 2021

Exhibit E-1

	<u>Trust Funds</u>	<u>Custodial Fund</u>
	<u>Total Private Purpose Trust Funds</u>	<u>Student Activity</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 29,600	\$ 259,791
Total assets	29,600	259,791
<b>LIABILITIES</b>		
Accounts payable	-	4,633
Due to student groups	-	-
Payable from restricted assets	-	-
Total liabilities	-	4,633
<b>NET POSITION</b>		
Net Position Held in Trust	29,600	255,158
<b>TOTAL NET POSITION</b>	<u>\$ 29,600</u>	<u>\$ 255,158</u>

The Notes to the Financial statements are an integral part of this statement.

**South San Antonio Independent School District**  
 Statement of Changes in Net Position  
 Fiduciary Funds  
 August 31, 2021

**Exhibit E-2**

	<u>Trust Funds</u>	<u>Custodial Fund</u>
	<u>Total Private Purpose Trust Funds</u>	<u>Student Activity</u>
<b>ADDITIONS</b>		
Contributions or gifts	\$ -	\$ 15,385
Fundraising activity	-	67,287
Student club fees	-	13,821
Investment earnings	-	-
Other	-	13,136
	<hr/>	<hr/>
Total additions	-	109,629
<b>DEDUCTIONS</b>		
Student activities	-	82,099
	<hr/>	<hr/>
Total deductions	-	82,099
	<hr/>	<hr/>
Net change in fiduciary net position	-	27,530
Net position - beginning of year	-	-
Cummulative effect of adoption of GASB 84	29,600	227,628
	<hr/>	<hr/>
<b>NET POSITION - ENDING</b>	<u>\$ 29,600</u>	<u>\$ 255,158</u>

The Notes to the Financial statements are an integral part of this statement.

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# South San Antonio Independent School District

## Notes to the Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

The South San Antonio Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District serves over 8,000 students in 10 elementary schools, 4 middle schools, and 2 high schools.

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 South San Antonio Independent School District, San Antonio, Texas. Members of the Board of Trustees are elected by the public, and have the authority to make decisions, appoint administrators and managers, significantly influence operations, and have the primary accountability for fiscal matters. Accordingly, the District is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board (GASB), Statement No. 61, "The Financial Reporting Entity: omnibus – an amendment of GASB Statements No. 14 and No. 34".

The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB), and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

#### B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

#### C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

## South San Antonio Independent School District

### Notes to the Financial Statements

The *ESSER grant fund* is used to account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted for emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the Nation.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted for committed to expenditures for specific purposes.

*Internal service funds* are used to account for revenues and expenses related to internal transportation services, print shop, supplemental – health care, group benefits – health care, and workers' compensation services provided to parties inside the District. These funds facilitate distribution of support costs to the users or 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.

*Fiduciary funds* are reported in the fiduciary fund financial statements. However, because their assets are held in an agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements. As of 9/1/20, fiduciary funds also include assets held by the District for student organizations due to the implementation of GASB Statement No. 84, Fiduciary Activities. These activities are accounted for in custodial funds and as a result of the implementation of GASB Statement No. 84, now include statements of activities demonstrating current year operational activity.

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **E. Measurement Focus and Basis of Accounting**

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

## South San Antonio Independent School District

### Notes to the Financial Statements

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

#### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

##### **2. Deposits and Investments**

Investments for the District, except for certain investment pools and non-negotiable certificates of deposit, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

##### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the weighted average cost and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

# South San Antonio Independent School District

## Notes to the Financial Statements

### 4. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, and furniture and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings and improvements	15-30
Furniture and equipment	3-7

### 5. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes and other unavailable revenues are recognized in the period the amount becomes available.

### 6. Compensated Absences

On retirement, death or resignation of certain employees hired prior to July 1, 1992, the District pays an accrued local sick leave in a lump sum payment to such employee or his estate up to a maximum of 20 days. These benefits are paid back at a specified rate and not the current employees' rate of pay.

## South San Antonio Independent School District

### Notes to the Financial Statements

#### **7. 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.

#### **8. 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.

#### **9. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

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

#### **10. Pension**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension 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 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 Pension Plan 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.



# South San Antonio Independent School District

## Notes to the Financial Statements

### 11. Other Postemployment 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 postemployment 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.

## G. Revenues and Expenditures/Expenses

### 1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### 2. Property Taxes

Property values are determined by the Bexar County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District adopts its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of January 1 of each year. Additionally, the District offers taxpayers the option of paying taxes in two installments. If this option is elected, the first half must be paid by November 30 and the final payment is due by June 30. Under this option, taxes are not delinquent until July 1.

### 3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are sales of services provided. Operating expenses for the enterprise funds include payroll cost, professional and contracted services, and other operating costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## H. Use of Estimates

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

## I. Data Control Codes

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

# South San Antonio Independent School District

## Notes to the Financial Statements

### J. Implementation of New Accounting Standards

GASB Statement No. 84, Fiduciary Activities (GASB 84), establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2018; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 84 to reporting periods beginning after December 15, 2019, with earlier application encouraged. GASB 84 was implemented in the District's 2021 financial statements, resulting in a cumulative effect adjustment of (\$257,228) as of September 1, 2020 to net position in the fiduciary financial statements due to reclassification of certain fiduciary activities to conform to the new standard.

### Note 2. Stewardship, Compliance, and Accountability

#### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund and *National School Breakfast/Lunch Program* special revenue fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

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

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

#### B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. As of August 31, 2021, the District does not have any outstanding encumbrances.

# South San Antonio Independent School District

## Notes to the Financial Statements

### Note 3. Detailed Notes on All Funds

#### A. Deposits and Investments

##### Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

##### Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in 1) Obligations of the United States or its agencies which are backed by the full faith and credit of the United States, obligations of the State of Texas or its agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized statistical rating organization (NRSRO) not less than A or its equivalent; 2) Certificates of deposit issued by a broker or depository located in Texas which is insured by the FDIC or purchased through a broker who has an office located in Texas; 3) Fully collateralized repurchase agreements secured by obligations of the United States or its agencies not to exceed 90 days to maturity from the date of purchase; 4) Securities lending program as permitted by Government Code 2256.0115; 5) Bankers acceptances with a stated maturity of 270 days or fewer which are eligible for collateral for borrowing from a Federal Reserve Bank; 6) Commercial paper if it has a stated maturity of 270 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; 7) No-load money market mutual funds which shall be registered with the Securities and Exchange Commission and have an dollar-weighted average stated maturity of 90 days or fewer; 8) No-load mutual funds which shall be registered with the Securities and Exchange Commission, have an average weighted maturity of less than two years, include investments that comply with the Public Funds Investment Act and are continuously rated not less than AAA by at least one NRSRO; 9) A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act; 10) Public funds investment pools which meet the requirements of the Public Funds Investment Act.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

# South San Antonio Independent School District

## Notes to the Financial Statements

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The District has recurring fair value measurements as presented in the table below, which includes the fiduciary funds. The District's investment balances, weighted average maturity, and credit risk of such investments are as follows:

<u>All District Funds' Investment Type</u>	<u>Primary Government</u>	<u>Percent of Total Investments</u>	<u>Weighted Average Maturity (Days)</u>	<u>Weighted Average Credit Risk</u>
Investments measured at amortized cost:				
Investment pools:				
The Lone Star Pool	\$ 27,140,261	99%	60	AAAm*
TexPool	37,058	0%	31	AAAm*
Texas TERM	<u>163,622</u>	<u>1%</u>	43	AAAmf**
<b>Total value</b>	<u>\$ 27,340,941</u>	<u>100%</u>		
<b>Portfolio weighted average maturity</b>				

\* Standard & Poor's rating

Money Market funds and investment pools are measured at amortized cost or net asset value, and are not required to be reported by levels in the table above.

U.S. government and agency securities, and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The 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 of the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Temporary investments consist of funds invested in local government investment pools. The investment pools used by the District are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments.

## South San Antonio Independent School District

### Notes to the Financial Statements

The District's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of shares in each pool; the market value of a share should approximate the book value of a share.

GASB Statement No. 31 provides an exception to the fair value reporting for investments in external pools that operate as "2a7-like" pools. The exception applies to portfolio securities held by external investment pools and allows the use of amortized cost rather than market value to report net assets and to compute share prices.

Texas Local Government Investment Pool (TexPool): operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares and does not include any unrealized gains and losses. TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poors. As a requirement to maintain the rating weekly portfolio, information must be submitted to Standard & Poors, as well as the Office of the Comptroller of Public Accounts for review. Financial information for TexPool can be accessed on the Internet (<http://www.texpool.com>).

Lone Star Investment Pool (the Lone Star Pool): The Lone Star Pool's Corporate overnight plus and Government overnight fund operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the fair value of the District's position in the Lone Star Pool is the same as the value of the Lone Star Pool's shares and does not include any unrealized gains and losses.

The Lone Star Pool is governed by an eleven-member Board of Trustees (Board) made up of active participants in the Lone Star Pool. The Board has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board is also responsible for monitoring performance of the Lone Star Pool. Standard and Poor's has assigned its "AAA" bond fund risk rating and "AAAF" credit quality rating to the Lone Star Pool's Corporate overnight and Government overnight fund, respectively.

The "AAA" rating is the highest possible ranking and indicates each fund's low sensitivity to changing market conditions. The "AAAF" credit quality rating reflects the high credit quality of the corporate overnight plus and the government overnight fund's eligible investments and counterparts. Standard and Poor's reviews investments of the corporate overnight plus and government overnight fund monthly. Financial information for the Lone Star Pool can be obtained by writing 12007 Research Blvd., Austin, TX 78759 or by calling 1-800-558-8875.

The Texas Term Local Government Investment Pool (TexasTERM): TexasTERM is a local government investment pool organized under the authority of the interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTERM is administered by PFM Asset Management LLC which also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares. The District's investments are held in the Texas DAILY fund, a money market portfolio. Texas DAILY is rated "AAAM" by Standard & Poor's.

# South San Antonio Independent School District

## Notes to the Financial Statements

### Credit Risk

At year-end, the District's investments were rated as noted in the table on the previous page. All credit ratings met acceptable levels required by legal guidelines prescribed in both the PFA and the District's investment policy.

### Interest Rate Risk

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

### Concentration of Credit Risk

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2021, District's deposits were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. District policy requires investments to be in the District's name or held by the District's agent in the District's name. The District is not exposed to custodial risk due to the investments are in the District's name or held by the District's agent in the District's name.

## B. Receivables

Tax revenues of the general and debt service funds are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$	3,266
Change in uncollectibles related to debt service property taxes		<u>(6,955)</u>
<b>Total change in uncollectibles of the current fiscal year</b>	<b>\$</b>	<b><u><u>(3,689)</u></u></b>

Approximately 64% of the delinquent outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

# South San Antonio Independent School District

## Notes to the Financial Statements

### C. Interfund Receivables, Payables, and Transfers

#### 1. Receivables/Payables

The composition of interfund balances as of August 31, 2021, is as follows:

	Interfund Receivables	Interfund Payables
Governmental funds:		
General fund	\$ 4,977,742	\$ 146,875
ESSER grant	-	2,959,139
Debt service fund	19,042	-
Internal service funds	-	248
Nonmajor governmental funds	-	1,890,522
Total governmental funds	<u>\$ 4,996,784</u>	<u>\$ 4,996,784</u>

The Due From balances in the General Fund are the result of utilizing a pooled cash account. As funds are expended for the benefit of the Emergency Relief Fund and the Non-Major Special Revenue Funds, the District subsequently submits, a reimbursement from the grantor and funds are reimbursed. The Due From balances in the General Fund from the internal service fund are the result of temporary lending between funds.

The Due From balances in the Debt Service and the non-major funds are the result of temporary lending between funds.

#### 2. Transfers

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. During the 2021 fiscal year, the following transfers occurred:

Funds	Transfers In	Transfers Out
General fund	\$ -	\$ 1,000,000
Internal service fund - worker's compensation	-	1,500,000
Internal service fund - medical insurance	2,500,000	-
<b>Totals</b>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>

**South San Antonio Independent School District**  
Notes to the Financial Statements

**D. Capital Assets**

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

	Beginning Balance	Additions	Transfers, Adjustments and Dispositions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,796,842	\$ -	\$ -	\$ 2,796,842
Construction in progress	615,415	852,821	(615,415)	852,821
<b>Total capital assets, not being depreciated</b>	<b>3,412,257</b>	<b>852,821</b>	<b>(615,415)</b>	<b>3,649,663</b>
Capital assets, being depreciated:				
Buildings and improvements	283,529,942	1,615,938	557,950	285,703,830
Furniture and equipment	20,450,629	789,260	(31,522)	21,208,367
<b>Total capital assets, being depreciated</b>	<b>303,980,571</b>	<b>2,405,198</b>	<b>526,428</b>	<b>306,912,197</b>
Less accumulated depreciation for:				
Buildings and improvements	(134,605,496)	(8,651,714)	-	(143,257,210)
Furniture and equipment	(16,013,413)	(1,388,249)	31,522	(17,370,140)
<b>Total accumulated depreciation</b>	<b>(150,618,909)</b>	<b>(10,039,963)</b>	<b>31,522</b>	<b>(160,627,350)</b>
<b>Total capital assets, being depreciated, net</b>	<b>153,361,662</b>	<b>(7,634,765)</b>	<b>557,950</b>	<b>146,284,847</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 156,773,919</b>	<b>\$ (6,781,944)</b>	<b>\$ (57,465)</b>	<b>\$ 149,934,510</b>

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

Governmental activities:	
11 Instruction	\$ 6,556,807
12 Instructional resources and media services	179,470
13 Curriculum and instructional staff development	22,539
21 Instructional leadership	171,509
23 School leadership	665,648
31 Guidance, counseling, and evaluation services	344,806
33 Health services	123,035
34 Student transportation	417,867
35 Food services	242,352
36 Cocurricular/extracurricular activities	160,587
41 General administration	222,490
51 Plant maintenance and operations	794,139
52 Security and monitoring services	58,235
53 Data processing services	76,487
61 Community services	3,992
<b>Total depreciation expense-governmental activities</b>	<b>\$ 10,039,963</b>



## South San Antonio Independent School District

### Notes to the Financial Statements

#### Construction Commitments

The District has active construction projects as of August 31, 2021. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
West Campus HS	\$ 1,693,586
<b>Total</b>	<b>\$ 1,693,586</b>

Remaining construction commitments are restricted in the capital project fund balance. The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by tax revenues.

#### E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, maintenance tax notes, health insurance, workers' compensation, compensated absences, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The entire claims liabilities for health and workers' compensation insurance are liquidated by their respective internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

#### Changes in Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 141,294,843	\$ -	\$ (6,921,515)	\$ 134,373,328	\$ 6,043,475
Accreted interest on capital appreciation bonds	11,324,472	3,145,468	(808,485)	13,661,455	-
Less deferred amounts:					
Issuance premiums	10,436,214	-	(1,023,679)	9,412,535	972,759
Total bonds payable, net	163,055,529	3,145,468	(8,753,679)	157,447,318	7,016,234
Maintenance tax notes	-	6,000,000	(25,000)	5,975,000	405,000
Compensated absences	1,345,175	166,304	(365,438)	1,146,041	-
Net pension liability	30,284,965	-	(1,605,322)	28,679,643	-
Net OPEB liability	35,932,429	-	(7,450,771)	28,481,658	-
<b>Governmental activities total long-term liabilities</b>	<b>\$ 230,618,098</b>	<b>\$ 9,311,772</b>	<b>\$ (18,200,210)</b>	<b>\$ 221,729,660</b>	<b>\$ 7,421,234</b>

#### General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF).

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 11-25 year current interest or capital appreciation bonds (CAB) with various amounts of principal maturing each year. Rates may be fixed or variable.

# South San Antonio Independent School District

## Notes to the Financial Statements

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate	Amounts Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>Unlimited Tax School Building Bonds</b>							
Series 2005	3.2-5%	\$ 40,500,000	2022	\$ 7,510,000	\$ -	\$ -	\$ 7,510,000
Series 2010-BA	4.607-5.29%	26,095,000	2027	26,095,000	-	-	26,095,000
<b>Unlimited Tax Qualified School Construction Bonds</b>							
Series 2010	5.19%	9,785,000	2027	9,785,000	-	-	9,785,000
<b>Unlimited Tax School Refunding Bonds</b>							
Series 2011	3-3.6%	8,680,000	2028	490,000	-	(140,000)	350,000
Series 2012A	3-4.25%	24,815,000	2029	2,950,000	-	(1,450,000)	1,500,000
Series 2013	2-5%	18,465,000	2035	9,675,000	-	-	9,675,000
Series 2014	4-5%	25,835,000	2034	25,380,000	-	-	25,380,000
Series 2019A	4%	11,460,000	2029	11,460,000	-	-	11,460,000
Series 2019B	4%	18,360,000	2034	18,240,000	-	-	18,240,000
Series 2019C	3.5-4%	9,185,000	2029	5,515,000	-	(3,710,000)	1,805,000
Series 2020	3-4%	5,340,000	2031	5,340,000	-	-	5,340,000
<b>Capital Appreciation Bonds</b>							
Series 2010	3.25-5.02%	22,116,909	2035	18,719,853	-	(1,621,515)	17,098,338
Series 2014	2.44%	455,000	2022	130,000	-	-	130,000
Series 2011	3.50%	4,990	2023	4,990	-	-	4,990
<b>Grand total</b>				<b>\$ 141,294,843</b>	<b>\$ -</b>	<b>\$ (6,921,515)</b>	<b>\$ 134,373,328</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31,	Principal Value At Maturity	Interest	Total Requirements
2022	\$ 6,043,475	\$ 7,377,171	\$ 13,420,646
2023	5,870,144	7,518,152	13,388,296
2024	8,433,000	4,981,196	13,414,196
2025	8,758,000	4,722,896	13,480,896
2026	9,082,000	4,466,756	13,548,756
2027-2031	40,728,863	26,199,602	66,928,465
2032-2036	45,497,846	24,943,828	70,441,674
2029	9,960,000	533,338	10,493,338
<b>Totals</b>	<b>\$ 134,373,328</b>	<b>\$ 80,742,939</b>	<b>\$ 215,116,267</b>

As of August 31, 2021, the District had no authorized but unissued bonds.

In prior years, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the District's financial statements. At August 31, 2021, the District had \$46 million in bonds that are considered defeased.

## South San Antonio Independent School District

### Notes to the Financial Statements

During the year, the District entered into two Maintenance Tax Notes to pay for energy conservation measures such as lighting upgrades, EMS optimization, ventilation control and power conditioning. The Maintenance Tax Note, Series 2020 is for the principal amount of \$2,000,000 and has a varying interest rate between .81% and \$1.45% over the term of the loan with periodic principal and interest payments due through 2030. At August 31, 2021, the note has an outstanding balance of \$1,975,000. The Maintenance Tax Note, Series 2021 is for the principal amount of \$4,000,000 and has a varying interest rate between .86% and \$1.83% over the term of the loan with periodic principal and interest payments due through 2031. At August 31, 2021, the note has an outstanding balance of \$4,000,000.

#### F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund:	
Tax subsidy	<u>\$ 724,314</u>
<b>Total committed for other purposes</b>	<b><u>\$ 724,314</u></b>

#### G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Esser III	Nonmajor Funds	Totals
Property taxes	\$ 18,121,570	\$ 9,526,781	\$ -	\$ -	\$ 27,648,351
Charges for services	89,670	-	-	47,269	136,939
Investment earnings	42,224	7,326	-	336	49,886
Other	48,054	-	-	499,488	547,542
<b>Totals</b>	<b><u>\$ 18,301,518</u></b>	<b><u>\$ 9,534,107</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 547,093</u></b>	<b><u>\$ 28,382,718</u></b>

#### Note 4. Other Information

##### A. Risk Management

###### Property/Liability

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty and liability coverage through the participation in a risk pool. Settled claims have not exceeded insurance coverage in any of the three previous fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

**South San Antonio Independent School District**

Notes to the Financial Statements

**Health Insurance**

During the period ended August 31, 2021, employees of the District were covered by a self-insured health insurance plan (The Plan). The plan is accounted for through an internal service fund. The District made contributions to cover the employees and the employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator acting on behalf of the District. The Plan was authorized by state statute and was documented by contractual agreement. The contract between the District and the third party administrator is renewable annually.

In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage up to \$200,000 per individual carried through a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Estimates of claims payable and of claims incurred but not reported at August 31, 2021, are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after August 31, 2021. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements and damage awards, the process used in computing claims liability is an estimate.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2021	Year Ended 8/31/2020
Unpaid claims, beginning of fiscal year	\$ 400,000	\$ 273,800
Provision for claims		
Incurred claims, including provision (adjustment) for IBNR	7,583,023	6,060,410
Claim payments	(7,640,475)	(5,934,210)
<b>Unpaid claims, end of fiscal year</b>	<b>\$ 342,548</b>	<b>\$ 400,000</b>

**Workers' Compensation**

During the period ended August 31, 2021, employees of the District were covered by a self-funded workers' compensation insurance plan (the "Plan"). The District currently utilizes an internal service fund's fund balance to pay for the workers' compensation claims. The third party administrator acts on behalf of the District to administer claims filed against the self-funded pool. The contract was authorized under the rules of the Texas Insurance Code and was documented by contractual agreement. This contract between the District and the third party administrator is renewable annually and terms of coverage and premium costs are included in the contractual provision.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other non-incremental claims adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$500,000 and an annual employers maximum limit of \$1,000,000.

# South San Antonio Independent School District

## Notes to the Financial Statements

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2021	Year Ended 8/31/2020
Unpaid claims, beginning of fiscal year	\$ 238,191	\$ 372,668
Provision for claims		
Incurred claims, including provision (adjustment) for IBNR	194,455	102,462
Claim payments	<u>(163,066)</u>	<u>(236,939)</u>
<b>Unpaid claims, end of fiscal year</b>	<b><u>\$ 269,580</u></b>	<b><u>\$ 238,191</u></b>

### B. Litigation and Contingencies

The District is a defendant in various legal claims arising principally in its normal course of operations. In the opinion of the District's management, such claims will not have a material effect of the District's financial position, results of operations or liquidity.

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

### C. Defined Benefit Pension Plan

#### Plan Description

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

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

#### Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](http://www.trs.texas.gov/Pages/about_archive_cafr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

# South San Antonio Independent School District

## Notes to the Financial Statements

### Benefits Provided

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

### Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2021	2020
Member	7.7%	7.7%
Non-employer contribution entity (State)	7.5%	7.5%
Employers (District)	7.5%	7.5%

The contribution amounts for the District's fiscal year 2021 are as follows:

District contributions	\$	2,236,783
Member contributions		4,836,386
NECE on-behalf contributions (State)		5,098,670

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.

## South San Antonio Independent School District

### Notes to the Financial Statements

As the non-employer contributing entity, 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 the 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, local or non-educational and general funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

At August 31, 2021, the District reported a liability of \$28,679,643 for its proportionate share of the TRS's net pension liability. 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 are as follows:

District's proportionate share of the net pension liability	\$ 28,679,643
State's proportionate share of the net pension liability associated with the District	<u>42,390,784</u>
<b>Total</b>	<u><u>\$ 71,070,427</u></u>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2019 rolled forward to August 31, 2020. 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.

## South San Antonio Independent School District

### Notes to the Financial Statements

At the measurement date of August 31, 2020, the District's proportion of the collective net pension liability was 0.0535487972%, which was a decrease of 0.0047104252% from its proportion measured as of August 31, 2019.

For the fiscal year ended August 31, 2021, the District recognized pension expense of \$4,141,176 and revenue of \$5,098,670 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 52,367	\$ 800,373
Changes of assumptions	6,654,698	2,829,531
Difference between projected and actual earnings on pension plan investments	580,595	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	1,149,335	2,709,284
District contributions paid subsequent to the measurement date	2,236,783	-
	<u>                    </u>	<u>                    </u>
<b>Totals</b>	<u>\$ 10,673,778</u>	<u>\$ 6,339,188</u>

\$2,236,783 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ending August 31,	
<u>                    </u>	
2022	\$ 776,708
2023	1,184,595
2024	971,565
2025	(72,133)
2026	(659,424)
Thereafter	<u>(103,504)</u>
<b>Total</b>	<u>\$ 2,097,807</u>



# South San Antonio Independent School District

## Notes to the Financial Statements

### Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate as of August 2020	2.33%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2119
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. 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 projection scale U-MP.

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

## South San Antonio Independent School District

### Notes to the Financial Statements

#### Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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 expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation*	Long-term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	18.00%	3.90%	0.99%
Non-U.S. developed	13.00%	5.10%	0.92%
Emerging markets	9.00%	5.60%	0.83%
Private equity	14.00%	6.70%	1.41%
Stable value:			
Government bonds	16.00%	-0.70%	-0.05%
Absolute return	-	1.80%	-
Stable value hedge funds	5.00%	1.90%	0.11%
Real return:			
Real estate	15.00%	4.60%	1.02%
Energy, natural resources and infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
Risk parity:			
Risk parity	8.00%	3.00%	0.30%
Asset allocation leverage:			
Cash	2.00%	-1.50%	-0.03%
Asset allocation leverage cash	-6.00%	-1.30%	0.08%
Inflation expectation			2.00%
Volatility drag***			-0.67%
<b>Total</b>	100.00%		7.33%

\* Target allocations are based on the FY 2020 policy model.

\*\* Capital market assumptions come from Aon Hewitt (as of 8/31/2020).

\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns.

# South San Antonio Independent School District

## Notes to the Financial Statements

### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 44,223,497	\$ 28,679,643	\$ 16,050,603

### Change of Assumptions Since the Prior Measurement Date

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

### Change of Benefit Terms Since the Prior Measurement Date

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

## D. Defined Other Postemployment Benefit Plan

### Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

### OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](http://www.trs.texas.gov/Pages/about_archive_cafr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

### Benefits Provided

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

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. The Board of Trustees of TRS 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.

# South San Antonio Independent School District

## Notes to the Financial Statements

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

TRS-Care Monthly Plan Premium Rates

	Medicare	Non-medicare
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

### Contributions

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

Texas Insurance Code, section 1575.202 establishes the State’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2021	2020
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

\* Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District’s fiscal year 2021 are as follows:

District contributions	\$ 562,466
Member contributions	408,266
NECE on-behalf contributions (State)	265,750

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

The State of Texas also contributed \$525,727, \$547,987, and \$304,715 in 2021, 2020, and 2019, respectively, for on-behalf payments for Medicare Part D.

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$2.2 million in fiscal year 2020.

# South San Antonio Independent School District

## Notes to the Financial Statements

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

At August 31, 2021, the District reported a liability of \$28,481,658 for its proportionate share of the TRS's net OPEB liability. 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 28,481,658
State's proportionate share of the net OPEB liability associated with the District	<u>38,272,521</u>
<b>Total</b>	<b><u>\$ 66,754,179</u></b>

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

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.074923112% which was a decrease of 0.0010580602% from its proportion measured as of August 31, 2019.

For the fiscal year ended August 31, 2021, the District recognized OPEB expense of \$811,184 and revenue of \$265,750 for support provided by the State.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,491,288	\$ 13,034,663
Changes of assumptions	1,756,726	7,821,211
Difference between projected and actual earnings on OPEB plan investments	9,256	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	96	2,781,968
District contributions paid subsequent to the measurement date	<u>562,466</u>	<u>-</u>
<b>Totals</b>	<b><u>\$ 3,819,832</u></b>	<b><u>\$ 23,637,842</u></b>

## South San Antonio Independent School District

### Notes to the Financial Statements

\$562,466 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB revenue as follows:

Year Ending August 31,	
2022	\$ (3,343,874)
2023	(3,345,112)
2024	(3,345,819)
2025	(3,345,626)
2026	(2,584,873)
Thereafter	<u>(4,415,172)</u>
<b>Total</b>	<b><u>\$ (20,380,476)</u></b>

#### Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability 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 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. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 % over a period of 13 years.

# South San Antonio Independent School District

## Notes to the Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	2.33%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

### Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability at August 31, 2020. This was a decrease of 1.06% in the discount rate since the August 31, 2019 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year Municipal GO AA Index”.

### Sensitivity Analysis of Rates

#### Discount Rate

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the net OPEB liability.

	1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
District's proportionate share of the net OPEB liability	\$ 34,177,925	\$ 28,481,658	\$ 23,982,425

#### Healthcare Cost Trend Rates

The following table presents the District’s proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 23,265,866	\$ 28,481,658	\$ 35,428,357

## South San Antonio Independent School District

### Notes to the Financial Statements

#### **Change of Assumptions Since the Prior Measurement Date**

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

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

#### **Change of Benefit Terms Since the Prior Measurement Date**

There were no changes in benefit terms since the prior measurement date.

#### **E. Nonmonetary Transactions**

During the year ended August 31, 2021, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$638,737. The District receives the textbooks as part of state funding for textbook allotment. The textbooks were recorded in the amount of \$638,737 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

During the year ended August 31, 2021, the District received goods purchased by the Texas Department of Agriculture (TDA) through the Food Distribution Program (commodities). These commodities have been recorded in the amount of \$389,151 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA.



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## Required Supplementary Information

**South San Antonio Independent School District**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit G-1**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		Positive (Negative)
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 17,958,466	\$ 18,556,296	\$ 18,301,518	\$ (254,778)
5800	State program revenues	55,085,204	56,984,527	57,539,712	555,185
5900	Federal program revenues	2,457,984	2,036,450	2,665,668	629,218
5020	Total revenues	75,501,654	77,577,273	78,506,898	929,625
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	44,220,148	50,412,000	45,599,986	4,812,014
0012	Instructional resources and media services	1,166,693	1,346,741	1,266,708	80,033
0013	Curriculum and instructional staff development	563,460	880,523	638,620	241,903
0021	Instructional leadership	1,063,469	1,141,897	1,041,882	100,015
0023	School leadership	5,533,644	5,741,694	5,498,774	242,920
0031	Guidance, counseling, and evaluation services	3,095,540	3,203,507	3,064,624	138,883
0032	Social work services	275,208	301,615	285,210	16,405
0033	Health services	1,573,468	1,714,289	1,415,622	298,667
0034	Student transportation	1,594,255	1,874,423	1,536,434	337,989
0035	Food services	-	103,479	-	103,479
0036	Cocurricular/extracurricular activities	1,536,062	2,435,560	2,273,047	162,513
0041	General administration	2,983,382	3,399,331	3,273,582	125,749
0051	Plant maintenance and operations	8,542,887	10,850,841	9,952,374	898,467
0052	Security and monitoring services	1,039,855	1,076,938	980,203	96,735
0053	Data processing services	1,235,978	1,592,432	1,431,513	160,919
0061	Community services	217,456	337,947	307,093	30,854
Debt service:					
0071	Principal on long-term debt	-	120,550	120,550	-
0072	Interest on long-term debt	-	14,570	14,570	-
0073	Issuance costs and fees	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	135,000	4,747,056	2,541,897	2,205,159
Intergovernmental:					
0091	Contracted instructional services between schools	-	-	-	-
0093	Payments related shares services arrangements	75,000	65,000	61,512	3,488
0095	Payments to juvenile justice alternative education programs	10,000	10,000	-	10,000
0099	Other intergovernmental charges	122,552	124,016	124,016	-
6030	Total expenditures	74,984,057	91,494,409	81,428,217	10,066,192
1100	Excess (deficiency) of revenues over (under) expenditures	517,597	(13,917,136)	(2,921,319)	10,995,817
<b>OTHER FINANCING SOURCES (USES)</b>					
7912	Sale of real and personal property	-	-	11,820	11,820
7914	Loan proceeds	-	6,000,000	6,000,000	-
7915	Transfers in	-	11,822	2	(11,820)
8911	Transfers out	-	(1,000,000)	(1,000,000)	-
7080	Total other financing sources (uses)	-	5,011,822	5,011,822	-
1200	Net change in fund balance	517,597	(8,905,314)	2,090,503	10,995,817
0100	Fund balance - beginning	27,692,374	27,692,374	27,692,374	-
3000	<b>FUND BALANCE - ENDING</b>	<b>\$ 28,209,971</b>	<b>\$ 18,787,060</b>	<b>\$ 29,782,877</b>	<b>\$ 10,995,817</b>

The Notes to the Required Supplementary Information are an integral part of this schedule.

**South San Antonio Independent School District**

**Exhibit G-2**

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Six Fiscal Years\*

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>District's Proportionate Share of the Net Pension Liability</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District</u>	<u>Total</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2021	0.0535488%	\$ 28,679,643	\$ 42,390,784	\$ 71,070,427	\$ 62,518,405	45.87%	75.54%
2020	0.0582592%	\$ 30,284,965	\$ 37,488,457	\$ 67,773,422	\$ 57,881,610	52.32%	75.24%
2019	0.0608164%	\$ 33,474,812	\$ 43,435,411	\$ 76,910,223	\$ 59,240,180	56.51%	73.74%
2018	0.0624478%	\$ 19,967,448	\$ 29,289,547	\$ 49,256,995	\$ 62,046,102	32.18%	82.17%
2017	0.0594752%	\$ 22,474,786	\$ 36,147,509	\$ 58,622,295	\$ 60,094,300	37.40%	78.00%
2016	0.0581993%	\$ 20,572,678	\$ 34,992,059	\$ 55,564,737	\$ 56,912,759	36.15%	78.43%
2015	0.0449481%	\$ 12,006,259	\$ 30,308,470	\$ 42,314,729	\$ 56,694,241	21.18%	83.25%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

# South San Antonio Independent School District

# Exhibit G-3

Schedule of the District's Contributions to the  
Teacher Retirement System of Texas Pension Plan  
For the Last Six Fiscal Years\*

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 2,236,783	\$ (2,236,783)	\$ -	\$ 62,810,123	3.56%
2020	\$ 2,209,438	\$ (2,209,438)	\$ -	\$ 62,518,405	3.53%
2019	\$ 2,040,584	\$ (2,040,584)	\$ -	\$ 57,881,610	3.53%
2018	\$ 2,077,722	\$ (2,077,722)	\$ -	\$ 59,240,180	3.51%
2017	\$ 1,977,312	\$ (1,977,312)	\$ -	\$ 62,046,102	3.19%
2016	\$ 1,889,677	\$ (1,889,677)	\$ -	\$ 60,094,300	3.14%
2015	\$ 1,817,619	\$ (1,817,619)	\$ -	\$ 56,912,759	3.19%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
Ten years of data is not available.

**South San Antonio Independent School District**

**Exhibit G-4**

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas For the Last Three Fiscal Years\*

<u>Year</u>	<u>District's Proportion of Net OPEB Liability</u>	<u>District's Proportionate Share of the Net OPEB Liability</u>	<u>State's Proportionate Share of the Net OPEB Liability Associated with the District</u>	<u>Total</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
2021	0.0749231%	\$ 28,481,658	\$ 38,272,521	\$ 66,754,179	\$ 62,518,405	45.56%	4.99%
2020	0.0759812%	\$ 35,932,429	\$ 47,746,158	\$ 83,678,587	\$ 57,881,610	62.08%	2.66%
2019	0.0781501%	\$ 39,021,061	\$ 47,571,974	\$ 86,593,035	\$ 59,240,180	65.87%	1.57%
2018	0.0809117%	\$ 35,185,477	\$ 47,559,318	\$ 82,744,795	\$ 62,046,102	56.71%	0.91%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

**South San Antonio Independent School District****Exhibit G-5**

Schedule of the District's Contributions to the  
Teacher Retirement System of Texas OPEB Plan  
For the Last Three Fiscal Years\*

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2021	\$ 562,466	\$ (562,466)	\$ -	\$ 62,810,123	0.90%
2020	\$ 569,468	\$ (569,468)	\$ -	\$ 62,518,405	0.91%
2019	\$ 539,256	\$ (539,256)	\$ -	\$ 57,881,610	0.93%
2018	\$ 477,293	\$ (477,293)	\$ -	\$ 59,240,180	0.81%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
Ten years of data is not available.

# South San Antonio Independent School District

## Notes to the Required Supplementary Information

### Note 1. Budget

#### A. Budgetary Information

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

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

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

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

### Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

#### Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	



## South San Antonio Independent School District

### Notes to the Required Supplementary Information

#### Changes in demographic and economic assumptions

For Measurement Date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

#### Changes in benefit terms

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85<sup>th</sup> Texas Legislature.

#### Other changes

For Measurement Date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For Measurement Date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

#### Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period, except for the following:

- In May 2019, the 86<sup>th</sup> Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13<sup>th</sup> check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

#### Changes of Assumptions

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

- The single discount rate as of August 31, 2018 was a blend rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

## Supplementary Information

**South San Antonio Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds – Special Revenue Funds  
August 31, 2021

Data Control Codes		205	206	211
		Head Start	ESEA Title X, Part C - Homeless	ESEA Title I, Part A - Improving Basic Programs
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Current investments	-	-	-
1220	Property taxes receivables	-	-	-
1230	Allowance for uncollectable taxes	-	-	-
1240	Due from other governments	533,900	-	665,661
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepaid items	-	-	-
1800	Restricted assets	-	-	-
<b>1000</b>	<b>TOTAL ASSETS</b>	<u>\$ 533,900</u>	<u>\$ -</u>	<u>\$ 665,661</u>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ 15,270	\$ -	\$ 49,503
2150	Payroll deductions and withholdings	-	-	-
2160	Accrued wages payable	80,878	-	16,820
2165	Accrued liabilities	-	-	-
2170	Due to other funds	366,358	-	599,338
2180	Due to other governments	71,394	-	-
2190	Due to student groups	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	533,900	-	665,661
<b>FUND BALANCES</b>				
Nonspendable:				
3410	Nonspendable - inventories	-	-	-
3430	Nonspendable - prepaid items	-	-	-
3450	Restricted - grants	-	-	-
3470	Restricted - capital acquisitions and contractual obligations	-	-	-
3480	Restricted - debt service	-	-	-
3490	Restricted - other	-	-	-
3545	Committed - other	-	-	-
Assigned to:				
3550	Assigned - construction	-	-	-
3570	Assigned - capital expenditures for equipment	-	-	-
3580	Assigned - self-insurance	-	-	-
3590	Assigned - purchases on order	-	-	-
3600	Unassigned	-	-	-
3800	Held in trust	-	-	-
3000	Total fund balances	-	-	-
<b>4000</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 533,900</u>	<u>\$ -</u>	<u>\$ 665,661</u>

212	224	225	240	244	255
ESEA Title I, Part C - Migrant	IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A, Teacher & Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ 514,037	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,496	458,269	8,388	699,337	80,345	132,411
-	-	-	-	-	-
-	-	-	64,366	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,496</u>	<u>\$ 458,269</u>	<u>\$ 8,388</u>	<u>\$ 1,277,740</u>	<u>\$ 80,345</u>	<u>\$ 132,411</u>
\$ -	\$ 5,655	\$ -	\$ 100,306	\$ 14,995	\$ 3,208
-	-	-	-	-	-
-	119,082	2,635	-	2,076	-
-	-	-	-	-	-
6,496	333,532	5,753	19,317	63,274	129,203
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	18,851	-	-
<u>6,496</u>	<u>458,269</u>	<u>8,388</u>	<u>138,474</u>	<u>80,345</u>	<u>132,411</u>
-	-	-	64,366	-	-
-	-	-	-	-	-
-	-	-	1,074,900	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,496</u>	<u>\$ 458,269</u>	<u>\$ 8,388</u>	<u>\$ 1,277,740</u>	<u>\$ 80,345</u>	<u>\$ 132,411</u>

**South San Antonio Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds – Special Revenue Funds - Continued  
August 31, 2021

Data Control Codes	263	266 Elementary and Secondary School Emergency Relief Funds - CARES Act	274 GEAR UP
<b>ASSETS</b>			
1110 Cash and cash equivalents	\$ -	\$ -	\$ -
1120 Current investments	-	-	-
1220 Property taxes receivables	-	-	-
1230 Allowance for uncollectable taxes	-	-	-
1240 Due from other governments	20,394	1,195	164,133
1260 Due from other funds	-	-	-
1290 Other receivables	-	-	-
1300 Inventories	-	-	-
1410 Prepaid items	-	-	-
1800 Restricted assets	-	-	-
<b>1000 TOTAL ASSETS</b>	<b>\$ 20,394</b>	<b>\$ 1,195</b>	<b>\$ 164,133</b>
<b>LIABILITIES</b>			
2110 Accounts payable	\$ -	\$ -	\$ 3,474
2150 Payroll deductions and withholdings	-	-	-
2160 Accrued wages payable	-	-	-
2165 Accrued liabilities	-	-	-
2170 Due to other funds	20,394	1,195	160,659
2180 Due to other governments	-	-	-
2190 Due to student groups	-	-	-
2300 Unearned revenue	-	-	-
<b>2000 Total liabilities</b>	<b>20,394</b>	<b>1,195</b>	<b>164,133</b>
<b>FUND BALANCES</b>			
Nonspendable:			
3410 Nonspendable - inventories	-	-	-
3430 Nonspendable - prepaid items	-	-	-
3450 Restricted - grants	-	-	-
3470 Restricted - capital acquisitions and contractual obligations	-	-	-
3480 Restricted - debt service	-	-	-
3490 Restricted - other	-	-	-
3545 Committed - other	-	-	-
Assigned to:			
3550 Assigned - construction	-	-	-
3570 Assigned - capital expenditures for equipment	-	-	-
3580 Assigned - self-insurance	-	-	-
3590 Assigned - purchases on order	-	-	-
3600 Unassigned	-	-	-
3800 Held in trust	-	-	-
<b>3000 Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000 TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 20,394</b>	<b>\$ 1,195</b>	<b>\$ 164,133</b>

276	277	289	340	385
<u>Instructional Continuity</u>	<u>Governor's Emergency Education Relief Funds - CARES Act</u>	<u>Other Federal Special Revenue Funds</u>	<u>Shared Service Arrangements - IDEA, Part C</u>	<u>Visually Impaired</u>
\$ -	\$ -	\$ -	\$ 9	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	65,210	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,210</u>	<u>\$ 9</u>	<u>\$ -</u>
\$ -	\$ -	\$ 2,653	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	62,557	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	65,210	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	9	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,210</u>	<u>\$ 9</u>	<u>\$ -</u>

South San Antonio Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds – Special Revenue Funds - Continued  
August 31, 2021

Data Control Codes	393	397	404
	Texas Successful Schools Program	Advanced Placement Incentives	Student Success Initiative
<b>ASSETS</b>			
1110 Cash and cash equivalents	\$ 700	\$ 36	\$ -
1120 Current investments	-	-	-
1220 Property taxes receivables	-	-	-
1230 Allowance for uncollectable taxes	-	-	-
1240 Due from other governments	-	-	136,656
1260 Due from other funds	-	-	-
1290 Other receivables	-	-	-
1300 Inventories	-	-	-
1410 Prepaid items	-	-	-
1800 Restricted assets	-	-	-
<b>1000 TOTAL ASSETS</b>	<b>\$ 700</b>	<b>\$ 36</b>	<b>\$ 136,656</b>
<b>LIABILITIES</b>			
2110 Accounts payable	\$ -	\$ -	\$ 14,215
2150 Payroll deductions and withholdings	-	-	-
2160 Accrued wages payable	-	-	-
2165 Accrued liabilities	-	-	-
2170 Due to other funds	-	-	122,441
2180 Due to other governments	-	-	-
2190 Due to student groups	-	-	-
2300 Unearned revenue	-	-	-
<b>2000 Total liabilities</b>	<b>-</b>	<b>-</b>	<b>136,656</b>
<b>FUND BALANCES</b>			
Nonspendable:			
3410 Nonspendable - inventories	-	-	-
3430 Nonspendable - prepaid items	-	-	-
3450 Restricted - grants	700	36	-
3470 Restricted - capital acquisitions and contractual obligations	-	-	-
3480 Restricted - debt service	-	-	-
3490 Restricted - other	-	-	-
3545 Committed - other	-	-	-
Assigned to:			
3550 Assigned - construction	-	-	-
3570 Assigned - capital expenditures for equipment	-	-	-
3580 Assigned - self-insurance	-	-	-
3590 Assigned - purchases on order	-	-	-
3600 Unassigned	-	-	-
3800 Held in trust	-	-	-
<b>3000 Total fund balances</b>	<b>700</b>	<b>36</b>	<b>-</b>
<b>4000 TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 700</b>	<b>\$ 36</b>	<b>\$ 136,656</b>

410	429	435	461	487
State Textbook Fund	Other State Special Revenue Funds	Shared Service Arrangements - Regional Day School for the Deaf	Campus Activity Funds	SA Sports Foundation
\$ 585,607	\$ 18,659	\$ 53,502	\$ 265,152	\$ 147,082
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 585,607</u>	<u>\$ 18,659</u>	<u>\$ 53,502</u>	<u>\$ 265,152</u>	<u>\$ 147,082</u>
\$ 241,574	\$ -	\$ -	\$ 5,671	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	5
-	-	-	-	-
-	-	-	-	-
24,638	6,701	-	-	-
<u>266,212</u>	<u>6,701</u>	<u>-</u>	<u>5,671</u>	<u>5</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
319,395	11,958	53,502	259,481	147,077
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>319,395</u>	<u>11,958</u>	<u>53,502</u>	<u>259,481</u>	<u>147,077</u>
<u>\$ 585,607</u>	<u>\$ 18,659</u>	<u>\$ 53,502</u>	<u>\$ 265,152</u>	<u>\$ 147,082</u>



**South San Antonio Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds – Special Revenue Funds - Continued  
August 31, 2021

Data Control Codes		499		616	
		Locally Funded Special Revenue Funds	Total Nonmajor Special Revenue Funds	Public Property Finance Fund	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ 115,077	\$ 1,699,861	\$	3
1120	Current investments	-	-		994
1220	Property taxes receivables	-	-		-
1230	Allowance for uncollectable taxes	-	-		-
1240	Due from other governments	-	2,972,395		-
1260	Due from other funds	-	-		-
1290	Other receivables	-	-		-
1300	Inventories	-	64,366		-
1410	Prepaid items	-	-		-
1800	Restricted assets	-	-		-
<b>1000</b>	<b>TOTAL ASSETS</b>	<b>\$ 115,077</b>	<b>\$ 4,736,622</b>	<b>\$</b>	<b>997</b>
<b>LIABILITIES</b>					
2110	Accounts payable	\$ 26,158	\$ 482,682	\$	-
2150	Payroll deductions and withholdings	-	-		-
2160	Accrued wages payable	-	221,491		-
2165	Accrued liabilities	-	-		-
2170	Due to other funds	-	1,890,522		-
2180	Due to other governments	-	71,394		-
2190	Due to student groups	-	-		-
2300	Unearned revenue	27,770	77,960		-
2000	Total liabilities	53,928	2,744,049		-
<b>FUND BALANCES</b>					
Nonspendable:					
3410	Nonspendable - inventories	-	64,366		-
3430	Nonspendable - prepaid items	-	-		-
3450	Restricted - grants	-	1,075,636		-
3470	Restricted - capital acquisitions and contractual obligations	-	-		997
3480	Restricted - debt service	-	-		-
3490	Restricted - other	61,149	852,571		-
3545	Committed - other	-	-		-
Assigned to:					
3550	Assigned - construction	-	-		-
3570	Assigned - capital expenditures for equipment	-	-		-
3580	Assigned - self-insurance	-	-		-
3590	Assigned - purchases on order	-	-		-
3600	Unassigned	-	-		-
3800	Held in trust	-	-		-
3000	Total fund balances	61,149	1,992,573		997
<b>4000</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 115,077</b>	<b>\$ 4,736,622</b>	<b>\$</b>	<b>997</b>

616	617	618	699		
Public Property Finance Fund	Facilities Emergency Grant	School Facilities Assistance Program	Nonmajor Capital Projects Fund	Total Nonmajor Capital Projects	Total Nonmajor Funds (See Exhibit C-1)
\$ 3	\$ -	\$ -	\$ 337,951	\$ 337,954	\$ 2,037,815
994	1,669	1,231	-	3,894	3,894
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,972,395
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	64,366
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 997</u>	<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 337,951</u>	<u>\$ 341,848</u>	<u>\$ 5,078,470</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,682
-	-	-	-	-	-
-	-	-	-	-	221,491
-	-	-	-	-	-
-	-	-	-	-	1,890,522
-	-	-	-	-	71,394
-	-	-	-	-	-
-	-	-	-	-	77,960
-	-	-	-	-	-
-	-	-	-	-	2,744,049
-	-	-	-	-	-
-	-	-	-	-	64,366
-	-	-	-	-	-
-	-	-	-	-	1,075,636
997	1,669	1,231	337,951	341,848	341,848
-	-	-	-	-	-
-	-	-	-	-	852,571
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>997</u>	<u>1,669</u>	<u>1,231</u>	<u>337,951</u>	<u>341,848</u>	<u>2,334,421</u>
<u>\$ 997</u>	<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 337,951</u>	<u>\$ 341,848</u>	<u>\$ 5,078,470</u>

**South San Antonio Independent School District**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds – Special Revenue Funds  
For the Fiscal Year Ended August 31, 2021

Data Control Codes		205	206	211
		Head Start	ESEA Title X, Part C - Homeless	ESEA Title I, Part A - Improving Basic Programs
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	2,527,021	22,104	3,691,630
5020	Total revenues	2,527,021	22,104	3,691,630
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	1,287,967	22,104	1,195,567
0012	Instructional resources and media services	-	-	279
0013	Curriculum and instructional staff development	210,645	-	2,189,171
0021	Instructional leadership	426,952	-	171,662
0023	School leadership	260	-	118,676
0031	Guidance, counseling, and evaluation services	-	-	3,561
0032	Social work services	-	-	-
0033	Health services	37,469	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	41,183	-	-
0051	Plant maintenance and operations	-	-	194
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	522,545	-	12,520
Debt service:				
0071	Principal on long-term debt	-	-	-
0072	Interest on long-term debt	-	-	-
0073	Issuance costs and fees	-	-	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	-
Intergovernmental:				
0091	Contracted instructional services between schools	-	-	-
0093	Payments related shares services arrangements	-	-	-
0095	Payments to juvenile justice alternative education programs	-	-	-
6030	Total expenditures	2,527,021	22,104	3,691,630
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
7912	Sale of real and personal property	-	-	-
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	<b>FUND BALANCES - ENDING</b>	\$ -	\$ -	\$ -

212	224	225	240	244	255
ESEA Title I, Part C - Migrant	IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A, Teacher & Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ 47,273	\$ -	\$ -
-	-	-	30,670	-	-
27,854	1,882,211	34,942	5,628,206	162,164	472,647
27,854	1,882,211	34,942	5,706,149	162,164	472,647
5,937	1,457,171	34,942	-	159,407	-
-	-	-	-	-	1,500
12,333	-	-	-	2,757	453,684
2,111	215,047	-	-	-	12,613
-	-	-	-	-	4,850
-	61,823	-	-	-	-
-	-	-	-	-	-
-	147,955	-	-	-	-
-	-	-	5,002,954	-	-
-	-	-	-	-	-
-	215	-	-	-	-
-	-	-	723,175	-	-
-	-	-	-	-	-
7,473	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,854	1,882,211	34,942	5,726,129	162,164	472,647
-	-	-	(19,980)	-	-
-	-	-	29,241	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	29,241	-	-
-	-	-	9,261	-	-
-	-	-	1,130,005	-	-
\$ -	\$ -	\$ -	\$ 1,139,266	\$ -	\$ -

# South San Antonio Independent School District

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds – Special Revenue Funds - Continued

For the Fiscal Year Ended August 31, 2021

Data Control Codes	263	266	274
	Title III, Part A, English Language Acquisition & Enhancement	Elementary and Secondary School Emergency Relief Funds - CARES Act	GEAR UP
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ -	\$ -
5800	State program revenues	-	-
5900	Federal program revenues	131,780	373,336
5020	Total revenues	131,780	373,336
<b>EXPENDITURES</b>			
Current:			
0011	Instruction	34,312	72,684
0012	Instructional resources and media services	-	-
0013	Curriculum and instructional staff development	94,565	372
0021	Instructional leadership	2,789	47,476
0023	School leadership	-	-
0031	Guidance, counseling, and evaluation services	-	249,183
0032	Social work services	-	-
0033	Health services	-	-
0034	Student transportation	-	-
0035	Food services	-	-
0036	Cocurricular/extracurricular activities	-	-
0041	General administration	-	-
0051	Plant maintenance and operations	-	-
0052	Security and monitoring services	-	-
0053	Data processing services	-	-
0061	Community services	114	3,621
Debt service:			
0071	Principal on long-term debt	-	-
0072	Interest on long-term debt	-	-
0073	Issuance costs and fees	-	-
Capital outlay:			
0081	Facilities acquisition and construction	-	-
Intergovernmental:			
0091	Contracted instructional services between schools	-	-
0093	Payments related shares services arrangements	-	-
0095	Payments to juvenile justice alternative education programs	-	-
6030	Total expenditures	131,780	373,336
1100	Excess (deficiency) of revenues over (under) expenditures	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
7912	Sale of real and personal property	-	-
7915	Transfers in	-	-
8911	Transfers out	-	-
7080	Total other financing sources	-	-
1200	Net change in fund balances	-	-
0100	Fund balances - beginning	-	-
3000	<b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>

276	277	289	340	385
Instructional Continuity	Governor's Emergency Education Relief Funds - CARES Act	Other Federal Special Revenue Funds	Shared Service Arrangements - IDEA, Part C	Visually Impaired
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	7,680
17,000	549,798	313,795	-	-
17,000	549,798	313,795	-	7,680
17,000	281,375	218,185	-	7,680
-	-	-	-	-
-	-	8,725	-	-
-	-	4,342	-	-
-	-	-	-	-
-	-	82,543	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	268,423	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
17,000	549,798	313,795	-	7,680
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	9	-
\$ -	\$ -	\$ -	\$ 9	\$ -

# South San Antonio Independent School District

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds – Special Revenue Funds - Continued For the Fiscal Year Ended August 31, 2021

Data Control Codes	393	397	404
	Texas Successful Schools Program	Advanced Placement Incentives	Student Success Initiative
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ 2	\$ -	\$ -
5800 State program revenues	-	-	232,796
5900 Federal program revenues	-	-	-
5020 Total revenues	<u>2</u>	<u>-</u>	<u>232,796</u>
<b>EXPENDITURES</b>			
Current:			
0011 Instruction	-	-	24,401
0012 Instructional resources and media services	-	-	-
0013 Curriculum and instructional staff development	-	-	121,286
0021 Instructional leadership	-	-	2,222
0023 School leadership	-	-	5,223
0031 Guidance, counseling, and evaluation services	-	-	-
0032 Social work services	-	-	-
0033 Health services	-	-	-
0034 Student transportation	-	-	-
0035 Food services	-	-	-
0036 Cocurricular/extracurricular activities	-	-	-
0041 General administration	-	-	38,079
0051 Plant maintenance and operations	-	-	-
0052 Security and monitoring services	-	-	-
0053 Data processing services	-	-	-
0061 Community services	-	-	41,585
Debt service:			
0071 Principal on long-term debt	-	-	-
0072 Interest on long-term debt	-	-	-
0073 Issuance costs and fees	-	-	-
Capital outlay:			
0081 Facilities acquisition and construction	-	-	-
Intergovernmental:			
0091 Contracted instructional services between schools	-	-	-
0093 Payments related shares services arrangements	-	-	-
0095 Payments to juvenile justice alternative education programs	-	-	-
6030 Total expenditures	<u>-</u>	<u>-</u>	<u>232,796</u>
1100 Excess (deficiency) of revenues over (under) expenditures	2	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
7912 Sale of real and personal property	-	-	-
7915 Transfers in	-	-	-
8911 Transfers out	-	-	-
7080 Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net change in fund balances	2	-	-
0100 Fund balances - beginning	<u>698</u>	<u>36</u>	<u>-</u>
3000 <b>FUND BALANCES - ENDING</b>	<u>\$ 700</u>	<u>\$ 36</u>	<u>\$ -</u>

410	429	435	461	487
State Textbook Fund	Other State Special Revenue Funds	Shared Service Arrangements - Regional Day School for the Deaf	Campus Activity Funds	SA Sports Foundation
\$ -	\$ -	\$ -	\$ 62,865	\$ 53,000
638,737	165,382	-	-	-
-	-	-	-	-
638,737	165,382	-	62,865	53,000
678,627	71,299	-	20,797	-
-	-	-	13,765	-
-	-	-	2,462	-
-	-	-	-	-
-	-	-	59,856	-
-	-	-	2,625	-
-	-	-	-	-
-	42,136	-	-	-
-	-	-	-	-
-	-	-	20,920	16,790
-	-	-	-	-
-	-	-	-	-
-	58,686	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
678,627	172,121	-	120,425	16,790
(39,890)	(6,739)	-	(57,560)	36,210
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(39,890)	(6,739)	-	(57,560)	36,210
359,285	18,697	53,502	317,041	110,867
\$ 319,395	\$ 11,958	\$ 53,502	\$ 259,481	\$ 147,077



# South San Antonio Independent School District

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds – Special Revenue Funds - Continued For the Fiscal Year Ended August 31, 2021

499

	Locally Funded Special Revenue Funds	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Local and intermediate sources	\$ 383,622	\$ 546,762
State program revenues	11,846	1,087,111
Federal program revenues	-	15,841,383
	<hr/>	<hr/>
Total revenues	395,468	17,475,256
<b>EXPENDITURES</b>		
Current:		
Instruction	110,024	5,706,374
Instructional resources and media services	21,545	37,089
Curriculum and instructional staff development	2,000	3,098,000
Instructional leadership	-	885,214
School leadership	-	188,865
Guidance, counseling, and evaluation services	-	399,735
Social work services	-	-
Health services	-	37,469
Student transportation	-	190,091
Food services	41,994	5,044,948
Cocurricular/extracurricular activities	-	37,710
General administration	-	79,477
Plant maintenance and operations	-	723,369
Security and monitoring services	-	58,686
Data processing services	-	268,423
Community services	-	587,858
Debt service:		
Principal on long-term debt	-	-
Interest on long-term debt	-	-
Issuance costs and fees	-	-
Capital outlay:		
Facilities acquisition and construction	233,439	233,439
Intergovernmental:		
Contracted instructional services between schools	-	-
Payments related shares services arrangements	-	-
Payments to juvenile justice alternative education programs	-	-
	<hr/>	<hr/>
Total expenditures	409,002	17,576,747
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(13,534)	(101,491)
<b>OTHER FINANCING SOURCES (USES)</b>		
Sale of real and personal property	-	29,241
Transfers in	-	-
Transfers out	-	-
	<hr/>	<hr/>
Total other financing sources	-	29,241
	<hr/>	<hr/>
Net change in fund balances	(13,534)	(72,250)
Fund balances - beginning	74,683	2,064,823
	<hr/>	<hr/>
<b>FUND BALANCES - ENDING</b>	<b>\$ 61,149</b>	<b>\$ 1,992,573</b>

616	617	618	699		
Public Property Finance Fund	Facilities Emergency Grant	School Facilities Assistance Program	Nonmajor Capital Projects Fund	Total Nonmajor Capital Projects	Total Nonmajor Funds (See Exhibit C-2)
\$ -	\$ 1	\$ -	\$ 330	\$ 331	\$ 547,093
-	-	-	-	-	1,087,111
-	-	-	-	-	15,841,383
-	1	-	330	331	17,475,587
-	-	-	-	-	5,706,374
-	-	-	-	-	37,089
-	-	-	-	-	3,098,000
-	-	-	-	-	885,214
-	-	-	-	-	188,865
-	-	-	-	-	399,735
-	-	-	-	-	-
-	-	-	-	-	37,469
-	-	-	-	-	190,091
-	-	-	-	-	5,044,948
-	-	-	-	-	37,710
-	-	-	-	-	79,477
-	-	-	-	-	723,369
-	-	-	-	-	58,686
-	-	-	-	-	268,423
-	-	-	-	-	587,858
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	233,439
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	17,576,747
-	1	-	330	331	(101,160)
-	-	-	-	-	29,241
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	29,241
-	1	-	330	331	(71,919)
997	1,668	1,231	337,621	341,517	2,406,340
\$ 997	\$ 1,669	\$ 1,231	\$ 337,951	\$ 341,848	\$ 2,334,421

South San Antonio Independent School District  
Combining Statement of Net Position  
Internal Service Funds  
August 31, 2021

Exhibit H-3

	753	770	
	Workers' Compensation Fund	Medical Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 39,031	\$ 1,567,799	\$ 1,606,830
Current investments	793,960	-	793,960
Other receivables	-	171,281	171,281
Prepaid items	19,882	-	19,882
	<u>852,873</u>	<u>1,739,080</u>	<u>2,591,953</u>
Total current assets	852,873	1,739,080	2,591,953
Total assets	852,873	1,739,080	2,591,953
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	780	4,917	5,697
Due to other funds	108	140	248
Accrued Expenses	269,580	342,548	612,128
	<u>270,468</u>	<u>347,605</u>	<u>618,073</u>
Total current liabilities	270,468	347,605	618,073
Total liabilities	270,468	347,605	618,073
<b>NET POSITION</b>			
Unrestricted	<u>582,405</u>	<u>1,391,475</u>	<u>1,973,880</u>
<b>TOTAL NET POSITION</b>	<u>\$ 582,405</u>	<u>\$ 1,391,475</u>	<u>\$ 1,973,880</u>

**South San Antonio Independent School District**

**Exhibit H-4**

Combining Statement of Revenues, Expenses,  
and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended August 31, 2021

	753	770	Total Internal Service Funds (See Exhibit D-2)
	Workers' Compensation Fund	Medical Insurance Fund	
<b>OPERATING REVENUES</b>			
Local and Intermediate Sources	\$ 139,551	\$ 6,798,859	\$ 6,938,410
Total operating revenues	139,551	6,798,859	6,938,410
<b>OPERATING EXPENSES</b>			
Payroll costs	56,649	81,665	138,314
Professional and contracted services	40,134	1,385,930	1,426,064
Other operating costs	253,102	7,129,039	7,382,141
Total operating expenses	349,885	8,596,634	8,946,519
Operating income (loss)	(210,334)	(1,797,775)	(2,008,109)
<b>NONOPERATING REVENUES</b>			
Other resources	-	-	-
Total nonoperating revenues	-	-	-
Income before contributions and transfers	(210,334)	(1,797,775)	(2,008,109)
Transfers in	-	2,500,000	2,500,000
Transfers out	(1,500,000)	-	(1,500,000)
Change in net position	(1,710,334)	702,225	(1,008,109)
Net position - beginning	2,292,739	689,250	2,981,989
<b>NET POSITION - ENDING</b>	<b>\$ 582,405</b>	<b>\$ 1,391,475</b>	<b>\$ 1,973,880</b>

South San Antonio Independent School District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended August 31, 2021

Exhibit H-5

	753	770	Total Internal Service Funds (See Exhibit D-3)
	<u>Workers' Compensation Fund</u>	<u>Medical Insurance Fund</u>	<u>(See Exhibit D-3)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from services provided	\$ 139,555	\$ 6,881,058	\$ 7,020,613
Cash payments for claims and administrative services	(329,729)	(8,510,053)	(8,839,782)
Cash payments for goods and services	-	-	-
Cash payments to employees for services	(25,260)	(139,117)	(164,377)
Net cash used by operating activities	<u>(215,434)</u>	<u>(1,768,112)</u>	<u>(1,983,546)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	2,500,000	2,500,000
Transfers to other funds	(1,500,000)	-	(1,500,000)
Net cash provided by noncapital financing activities	<u>(1,500,000)</u>	<u>2,500,000</u>	<u>1,000,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of investments	<u>1,733,780</u>	<u>-</u>	<u>1,733,780</u>
Net cash provided by investing activities	<u>1,733,780</u>	<u>-</u>	<u>1,733,780</u>
Net increase in cash and cash equivalents	18,346	731,888	750,234
Cash and cash equivalents - beginning	<u>20,685</u>	<u>835,911</u>	<u>856,596</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 39,031</u></u>	<u><u>\$ 1,567,799</u></u>	<u><u>\$ 1,606,830</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (210,334)	\$ (1,797,775)	\$ (2,008,109)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Change in:			
Other receivables	-	82,878	82,878
Deferred Expenditures	(19,882)	-	(19,882)
Accounts payable	(16,610)	4,917	(11,693)
Claims payable	-	(57,452)	(57,452)
Accrued wages payable	31,389	-	31,389
Due to other funds	3	(680)	(677)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u><u>\$ (215,434)</u></u>	<u><u>\$ (1,768,112)</u></u>	<u><u>\$ (1,983,546)</u></u>

# Private Purpose Trust Funds

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**South San Antonio Independent School District**  
Combining Statement of Fiduciary Net Position  
Private Purpose Trust Funds  
For the Fiscal Year Ended August 31, 2021

**Exhibit H-6**

	810	820	Total Private Purpose Trust Funds (See Exhibit E-1)
	<u>Private Purpose Trust Fund</u>	<u>Foundation Grant Fund</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,600	\$ 15,000	\$ 29,600
Total assets	14,600	15,000	29,600
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Due to student groups	-	-	-
Payable from restricted assets	-	-	-
Total liabilities	-	-	-
<b>NET POSITION</b>			
Net Position Held in Trust	14,600	15,000	29,600
<b>TOTAL NET POSITION</b>	<u>\$ 14,600</u>	<u>\$ 15,000</u>	<u>\$ 29,600</u>



# South San Antonio Independent School District

## Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2021

Year Ended August 31,	Tax Rates		Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2012 and Prior Years	\$ Various	\$ Various	\$ Various
2013	1.0400	0.4149	1,311,710,609
2014	1.0400	0.4149	1,334,190,093
2015	1.0400	0.4115	1,398,872,137
2016	1.0400	0.4115	1,435,618,939
2017	1.0400	0.4115	1,487,464,313
2018	1.0400	0.4115	1,600,484,459
2019	1.0400	0.4115	1,830,493,894
2020	0.9700	0.4800	1,968,397,218
2021	0.9112	0.4800	2,001,721,888
<b>1000 TOTALS</b>			

Exhibit J-1

<u>Beginning Balance 09/01/20</u>	<u>Current Year's Total Levy</u>	<u>Maintenance Collections</u>	<u>Debt Service Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 08/31/21</u>
\$ 559,759	\$ -	\$ 14,200	\$ 5,665	\$ (204,065)	\$ 335,829
63,841	-	2,160	862	(6,170)	54,649
77,639	-	3,272	1,305	(6,158)	66,904
89,788	-	4,568	1,807	(6,197)	77,216
84,123	-	5,808	2,298	(6,131)	69,886
114,205	-	17,768	7,031	9,444	98,850
188,155	-	23,754	9,399	6,952	161,954
300,947	-	56,230	22,248	(28,189)	194,280
777,239	-	(94,548)	(46,786)	(543,071)	375,502
-	27,847,955	17,722,864	9,336,012	(5,349)	783,730
<u>\$ 2,255,696</u>	<u>\$ 27,847,955</u>	<u>\$ 17,756,076</u>	<u>\$ 9,339,841</u>	<u>\$ (788,934)</u>	<u>\$ 2,218,800</u>

**South San Antonio Independent School District**  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance – Budget and Actual  
 National School Breakfast And Lunch Program  
 For the Fiscal Year Ended August 31, 2021

**Exhibit J-2**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 140,277	\$ 140,277	\$ 47,273	\$ (93,004)
5800	State program revenues	15,000	30,670	30,670	-
5900	Federal program revenues	5,020,172	5,020,172	5,628,206	608,034
5020	Total revenues	5,175,449	5,191,119	5,706,149	515,030
<b>EXPENSES</b>					
Current:					
0035	Food services	6,173,821	6,173,821	5,002,954	1,170,867
0051	Plant maintenance and operations	753,769	798,680	723,175	75,505
6030	Total expenses	6,927,590	6,972,501	5,726,129	1,246,372
1100	Excess (deficiency) of revenues over (under) expenditures	(1,752,141)	(1,781,382)	(19,980)	1,761,402
<b>OTHER FINANCING SOURCES (USES)</b>					
7912	Sale of real and personal property	-	29,241	29,241	-
7080	Total nonoperating revenues	-	29,241	29,241	-
1200	Net change in fund balance	(1,752,141)	(1,752,141)	9,261	1,761,402
0100	Fund balance - beginning	1,130,005	1,130,005	1,130,005	-
3000	<b>FUND BALANCE - ENDING</b>	<b>\$ (622,136)</b>	<b>\$ (622,136)</b>	<b>\$ 1,139,266</b>	<b>\$ 1,761,402</b>

**South San Antonio Independent School District**  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance – Budget and Actual  
 Debt Service Fund  
 For the Fiscal Year Ended August 31, 2021

**Exhibit J-3**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 9,113,703	\$ 9,651,900	\$ 9,534,107	\$ (117,793)
5800	State program revenues	2,644,388	2,644,388	2,830,697	186,309
5900	Federal program revenues	-	970,044	970,043	(1)
5020	Total revenues	11,758,091	13,266,332	13,334,847	68,515
<b>EXPENDITURES</b>					
Current:					
Debt service:					
0071	Principal on long-term debt	6,841,515	6,921,515	6,921,515	-
0072	Interest on long-term debt	6,347,643	6,344,143	6,343,025	1,118
0073	Issuance costs and fees	25,000	30,883	28,336	2,547
6030	Total expenditures	13,214,158	13,296,541	13,292,876	3,665
1100	Excess (deficiency) of revenues over (under) expenditures	(1,456,067)	(30,209)	41,971	72,180
<b>OTHER FINANCING SOURCES (USES)</b>					
1200	Net change in fund balance	(1,456,067)	(30,209)	41,971	72,180
0100	Fund balance - beginning	2,142,776	2,142,776	2,142,776	-
3000	<b>FUND BALANCE - ENDING</b>	<b>\$ 686,709</b>	<b>\$ 2,112,567</b>	<b>\$ 2,184,747</b>	<b>\$ 72,180</b>

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**Overall Compliance, Internal Control Section  
and Federal Awards**

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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees of  
South San Antonio Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South San Antonio Independent School District (the District) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 14, 2022.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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



The Board of Trustees of  
South San Antonio Independent School District

**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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
January 14, 2022

**Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

To the Board of Trustees of  
South San Antonio Independent School District

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

## Report on Internal Control over Compliance

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

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
January 14, 2022

# South San Antonio Independent School District

## Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2021

### Section 1. Summary of Auditor's Results

#### Financial Statements

- a. Type of auditor's report issued Unmodified
- b. Internal control over financial reporting:
  - i. Material weakness(es) identified? No
  - ii. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- c. Noncompliance material to financial statements noted? No

#### Federal Awards

- d. Internal control over major programs:
  - i. Material weakness(es) identified? No
  - ii. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- e. Type of auditor's report issued on compliance with major programs Unmodified
- f. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No
- g. Identification of major programs Special Education Cluster – 84.027A and 84.173A  
Title I, Improving Basic Programs – 84.010  
Head Start Cluster – 93.600  
Education Stabilization Fund – ESSER – 84.425D and 84.425U  
Child & Adult Care Food Program – Cash Assistance – 10.558
- h. Dollar threshold used to distinguish between Type A and Type B federal programs \$750,000
- i. Auditee qualified as a low-risk auditee? Yes

### Section 2. Financial Statement Findings

None reported

### Section 3. Federal Award Findings and Questioned Costs

None reported

**South San Antonio Independent School District**  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended August 31, 2021

**Prior Year Findings**

There were no prior audit findings reported

**South San Antonio Independent School District**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit K-1**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Education:			
Child Nutrition Cluster:			
Nat. School Breakfast Program	10.553	71401901	\$ 1,254,537
Nat. School Lunch Program	10.555	71302001	2,547,144
Total Child Nutrition Cluster			3,801,681
Passed Through State Department of Agriculture			
Child & Adult Care Food Program - Cash Assistance	10.558	N/A	1,421,648
Food Distribution Cluster:			
USDA Food Storage & Delivery Fee Reimbursement	10.565	N/A	15,726
USDA DOD Fresh Allocations	10.565	N/A	159,480
Commodity Supplemental Food Program - Non-Cash Assistance	10.565	N/A	229,671
Total Assistance Listing Number 10.565			404,877
Total Food Distribution Cluster			404,877
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			5,628,206
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Direct:			
ROTC	12.000	N/A	61,734
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			61,734
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
Passed Through City of San Antonio:			
COVID-19 City's Local Coronavirus Relief Fund	21.019	N/A	60,000
Passed Through Bexar County :			
COVID-19 Bexar County Coronavirus Relief Fund	21.019	N/A	225,000
Passed Through State Department of Education:			
COVID-19 CRF Operation Connectivity Prior Purchase Reimbursement Program	21.019	521021135	264,798
Total Assistance Listing Number 21.019			549,798
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			549,798
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through ESC Region 20:			
McKinney Vento-Techcy	84.196	295662011	22,104
Passed Through University of Texas at Austin:			
Gear Up	84.334S	N/A	37,532
Gear Up	84.334S	N/A	335,804
Total Assistance Listing Number 84.334S			373,336
Passed Through State Department of Education:			
Title I, Improving Basic Programs	84.010A	20610101015908	296,682
Title I, Improving Basic Programs	84.010A	21610101015908	3,293,573
Title I, Improving Basic Programs	84.010A	21610141015908	283,513
Total Assistance Listing Number 84.010A			3,873,768
Title I, Part C Migrant	84.011A	20615001015908	8,830
Title I, Part C Migrant	84.011A	21615001015908	20,393
Total Assistance Listing Number 84.011A			29,223

**South San Antonio Independent School District**  
**Schedule of Expenditures of Federal Awards - Continued**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit K-1**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Special Education Cluster (IDEA)			
IDEA B Formula	84.027A	206600010159086600	424
IDEA B Formula	84.027A	216600010159086600	1,924,283
Total Assistance Listing Number 84.027A			1,924,707
IDEA B Preschool	84.173A	206610010159086610	3,467
IDEA B Preschool	84.173A	216610010159086610	32,198
Total Assistance Listing Number 84.173A			35,665
Total Special Education Cluster (IDEA)			1,960,372
Carl D. Perkins Basic Grant Formula for CATE	84.048A	21420006015908	160,088
Carl D. Perkins Basic Grant Formula for CATE	84.048A	22420006015908	2,076
Total Assistance Listing Number 84.048A			162,164
Title III Part A ELA	84.365A	20671001015908	19,439
Title III Part A ELA	84.365A	21671001015908	118,817
Total Assistance Listing Number 84.365A			138,256
Title II Part A Supporting Effective Instruction	84.367A	20694501015908	8,900
Title II Part A Supporting Effective Instruction	84.367A	21694501015908	487,045
Total Assistance Listing Number 84.367A			495,945
Instructional Continuity	84.377A	17610740015908	17,000
Title IV, Part A	84.424A	20680101015908	92,439
Title IV, Part A	84.424A	21680101015908	221,356
Total Assistance Listing Number 84.424A			313,795
COVID-19 ESSER I GRANT	84.425D	20521001015908	8,090
COVID-19 American Relief Plan ESSER III	84.425U	21528001015908	3,446,339
Total Assistance Listing Number 84.425			3,454,429
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>10,840,392</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Direct:			
Head Start Cluster:			
Head Start	93.600	06CH010831/02/01	934,924
COVID-19 Head Start	93.600	06CH010831/02/C3	198,567
Head Start	93.600	06CH010831/03/00	1,404,555
COVID-19 Head Start COVID PL116-260	93.600	06HE001211/01/C5	78,479
COVID-19 Head Start ARP American Rescue Plan	93.600	06HE001211/01/C6	24,340
Total Assistance Listing Number 93.600			2,640,865
Total Head Start Cluster			2,640,865
Passed Through Texas Department of Health and Human Services			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-000014	37,672
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>2,678,537</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 19,758,667</b>

**South San Antonio Independent School District**  
 Notes to the Schedule of Expenditures of Federal Awards

**Note 1. Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of South San Antonio Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. National School Lunch Program and Food Distribution Cluster non-cash commodities are recorded at their estimated acquisition value at the time of donation.

**Note 2. De Minimis Cost Rate**

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

**Note 3. Reconciliation to Basic Financial Statements**

Presented below is a reconciliation of federal revenues:

Total Expenditures of Federal Awards per Exhibit K-1	\$ 19,758,667
General Fund - Federal Revenue:	
School Health and Related Services (SHARS)	705,195
E-Rate Program Revenue	313,989
Government Subsidized Debt	153,795
Other Miscellaneous Federal Receipts	512,784
Government Subsidized Debt in Debt Service Fund	<u>970,043</u>
<b>Total federal revenues per Exhibit C-2</b>	<u><u>\$ 22,414,473</u></u>