CASTLEBERRY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT FOR THE

YEAR ENDED JUNE 30, 2021

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ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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CERTIFICATE OF BOARD

Castleberry Independent School District	Tarrant	220-917
Name of School District	County	Co. - Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved _____ disapproved for the year ended June 30, 2021, at a meeting of the Board of Trustees of such school district on the 8th day of November, 2021.

Signature of Board Secretary

Signature of Board President

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

HANKINS, EASTUP, DEATON,
TONN & SEAY
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
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Independent Auditor's Report

To the Board of Trustees
Castleberry Independent School District
Fort Worth, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Castleberry Independent School District (the District), as of and for the year ended June 30, 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 Standard* 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Castleberry Independent School District as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 5 through 11 and the schedules of Teacher Retirement System pension and OPEB information on pages 60 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Castleberry Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements and the required TEA schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the required TEA schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the required TEA schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 29, 2021 on our consideration of Castleberry Independent School District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Castleberry Independent School District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay, PC

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

October 29, 2021

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(UNAUDITED)

As management of Castleberry Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021. Please read this narrative in conjunction with the independent auditors' report on page 3, and the District's Basic Financial Statements that begin on page 14.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $49,052,301 (*net position*).

- The District's total net position increased by $2,107,120 during the current fiscal year from the result of current year operations.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $15,306,372. Approximately 40.0% of this total amount, $6,120,312, is unassigned and available for use within the District's fund balance policies.

- At the end of the current fiscal period, unassigned fund balance of the general fund was $6,120,312 or 13.6% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 14 and 15). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 16) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 31) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 14. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting (the basis used by private sector companies).

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets and deferred inflows of resources are reported whether they serve the current year or future years. Liabilities and deferred outflows of resources are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in net position. The District's net position provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance, its property tax base, and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

· Governmental activities–Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

· Business-type activities–The District does not have any programs in which it charges a fee to "customers" to help it cover all or most of the cost of services it provides. Thus, the District had no business-type activities during the current fiscal year.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 16 and provide detailed information about the most significant funds–not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received from the U.S. Department of Education. The District's administration establishes other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds – governmental and proprietary – use different accounting approaches.

· Governmental funds–Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

· Proprietary funds–The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service fund reports the District's self-insurance workers compensation program that provides services for the District's other programs and activities.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or custodian, for money raised by student activities. The District's custodial activity is reported in a separate Statement of Custodial Net Position and Statement of Changes in Custodial Net Position on pages 28 and 29. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in this fund are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net position of the District's governmental activities increased from $46,945,181 to $49,052,301. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was ($16,502,052) at June 30, 2021.

Table I
NET POSITION

	Governmental Activities 2021	Governmental Activities 2020
Current and other assets	$ 19,989,919	$ 29,533,621
Capital assets, net	100,526,089	94,192,343
Total assets	120,516,008	123,725,964
Deferred outflows of resources	8,068,389	9,379,162
Total assets and deferred outflows of resources	128,584,397	133,105,126
Long-term liabilities	62,916,258	67,505,744
Other liabilities	4,637,432	8,436,835
Total liabilities	67,553,690	75,942,579
Deferred inflows of resources	11,978,406	10,217,366
Total liabilities and deferred inflows of resources	79,532,096	86,159,945
Net Position:		
Net investments in capital assets	62,250,373	53,450,395
Restricted	3,303,980	4,104,296
Unrestricted	(16,502,052)	(10,609,510)
Total Net Position	$ 49,052,301	$ 46,945,181

Table II
CHANGES IN NET POSITION

	Governmental Activities 2021	Governmental Activities 2020
Revenues:		
Program Revenues:		
Charges for services	$ 1,011,355	$ 1,432,901
Operating grants and contributions	9,197,091	8,742,308
General Revenues:		
Maintenance and operations taxes	9,641,958	9,510,032
Debt service taxes	2,096,445	1,976,710
State aid	27,348,717	26,515,028
Grants and contributions	-	10,000
Investment earnings	42,258	543,286
Miscellaneous	255,505	190,137
Total Revenue	49,593,329	48,920,402
Expenses:		
Instruction, curriculum and media services	28,644,989	27,153,086
Instructional and school leadership	4,582,387	4,573,947
Student support services	1,870,059	1,790,936
Child nutrition	2,526,265	2,410,623
Extracurricular activities	1,234,044	1,444,466
General administration	1,561,892	1,515,007
Plant maintenance, security and data processing	5,600,375	5,802,302
Community services	2,418	6,503
Debt services	1,256,137	1,260,670
Capital outlay	128,321	15,864
Payments to JJAEP	233	13,803
Other intergovernmental charges	79,089	79,716
Total Expenses	47,486,209	46,066,923
Increase (decrease) in net position	2,107,120	2,853,479
Net position at beginning of year	46,945,181	44,091,702
Net position at end of year	$ 49,052,301	$ 46,945,181

At the end of the current fiscal year, the District reports positive balances in net investment in capital assets and restricted net position. Unrestricted net position is negative. The District's net position increased by $2,107,120 during the current fiscal year.

The District showed an increase in revenue of 1.38%. Local tax revenues increased because of a 5.1% increase in taxable values. State Foundation revenue increased due to higher average daily attendance. Other items that affected the District's 2020-2021 activities were:

- Average daily attendance increased by 3.2%.
- The District's General Fund expenditures decreased $9.2 million. Almost all of this decrease was due to reduced capital outlay for construction.
- The District's maintenance and operations (M&O) tax rate decreased from $1.0684 per $100 valuation to $1.0191 per $100 valuation due to tax rate compression required by state funding legislation. The District's debt service tax rate remained $0.2222 per $100 valuation.

The cost of all governmental activities for the current fiscal year was $47,486,209. However, as shown in the Statement of Activities on page 15, the amount that our taxpayers ultimately financed for these activities through District taxes was only $11,738,403 because some of the costs were paid by those who directly benefited from the programs ($1,011,355) or by other governments and organizations that subsidized certain programs with grants and contributions ($9,197,091) or by State equalization funding ($27,348,717).

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of $15,306,372, which is $5,731,563 less than last year's total of $21,037,935. Included in this year's total change in fund balance is a decrease of $4,955,822 in the District's General Fund, and a decrease of $882,300 in the District's Debt Service Fund.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June 2020). The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. The principal amendments in this case were amendments to reflect additional revenues and personnel and other costs. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of $11,352,457 reported on page 20 differs from the General Fund's budgetary fund balance of $8,816,611 reported in the budgetary comparison schedule on page 24. This is principally due to cost savings achieved during the year based on the final amended budget and capital outlay less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had $100,526,089 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of $6,333,746, or 6.7 percent, more than last year.

Major capital asset additions during the year included completion of an addition/renovations to the middle school and purchase of property.

More detailed information about the District's capital assets is presented in Note 4 to the basic financial statements.

Debt Administration

At year-end, the District had $62,916,258 in long-term debt outstanding compared to $67,505,744 last year–a decrease of $4,589,486. The District's general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund) according to national rating agencies.

More detailed information about the District's long-term liabilities is presented in Note 5 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Total General Fund revenues are expected to be $1.5 million higher due to higher expected enrollment and higher local tax collections. The state funding formula requires a reduction in local property tax rates.

- The District's General Fund expenditures exclusive of capital outlay for construction are budgeted to increase approximately $2.4 million. The largest increase is higher salaries.

- The maintenance and operations tax rate decreased from $1.0191 per $100 valuation to $0.952 per $100 valuation due to rate compression required by the State funding formula. The debt service tax rate increased from $0.2222 per $100 valuation to $0.3611 per $100 valuation.

- The 2021-2022 General Fund budget is balanced with both revenues and expenditures of $41.8 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at Castleberry Independent School District, 5228 Ohio Garden, Fort Worth, Texas 76114.

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BASIC FINANCIAL STATEMENTS

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 13,907,293
1120	Current Investments	185,441
1220	Property Taxes - Delinquent	1,151,499
1230	Allowance for Uncollectible Taxes	(625,320)
1240	Due from Other Governments	5,136,861
1290	Other Receivables, Net	2,000
1300	Inventories	232,145
	Capital Assets:	
1510	Land	7,328,697
1520	Buildings, Net	90,988,510
1530	Furniture and Equipment, Net	2,208,882
1000	Total Assets	120,516,008
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred Resource Outflows Related to TRS Pension	5,563,432
1706	Deferred Resource Outflows Related to TRS OPEB	2,504,957
1700	Total Deferred Outflows of Resources	8,068,389
LIABILITIES		
2110	Accounts Payable	574,588
2140	Accrued Interest Payable	480,064
2150	Payroll Deductions and Withholdings	242,320
2160	Accrued Wages Payable	3,138,027
2180	Due to Other Governments	112,554
2300	Unearned Revenue	89,879
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	1,069,995
	Due in More than One Year:	
2502	Bonds, Notes, Leases, etc.	36,768,485
2540	Net Pension Liability (District's Share)	13,384,287
2545	Net OPEB Liability (District's Share)	11,693,491
2000	Total Liabilities	67,553,690
DEFERRED INFLOWS OF RESOURCES		
2602	Deferred Gain on Bond Refundings	499,618
2605	Deferred Resource Inflows Related to TRS Pension	2,165,876
2606	Deferred Resource Inflows Related to TRS OPEB	9,312,912
2600	Total Deferred Inflows of Resources	11,978,406
NET POSITION		
3200	Net Investment in Capital Assets	62,250,373
	Restricted:	
3820	Restricted for Federal and State Programs	1,030,235
3850	Restricted for Debt Service	2,273,745
3900	Unrestricted	(16,502,052)
3000	Total Net Position	$ 49,052,301

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		1	Program Revenues 3	4	Net (Expense) Revenue and Changes in Net Position 6
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
	GOVERNMENTAL ACTIVITIES:				
11	Instruction	$ 26,934,363	$ 739,238	$ 4,085,285	$ (22,109,840)
12	Instructional Resources and Media Services	564,935	-	23,940	(540,995)
13	Curriculum and Instructional Staff Development	1,145,691	-	293,825	(851,866)
21	Instructional Leadership	2,290,050	-	209,310	(2,080,740)
23	School Leadership	2,292,337	-	113,723	(2,178,614)
31	Guidance, Counseling, and Evaluation Services	801,118	-	333,997	(467,121)
32	Social Work Services	186,627	-	11,321	(175,306)
33	Health Services	413,641	-	16,181	(397,460)
34	Student (Pupil) Transportation	468,673	-	57,901	(410,772)
35	Food Services	2,526,265	48,762	2,526,846	49,343
36	Extracurricular Activities	1,234,044	205,527	33,458	(995,059)
41	General Administration	1,561,892	-	63,384	(1,498,508)
51	Facilities Maintenance and Operations	3,779,085	17,828	205,667	(3,555,590)
52	Security and Monitoring Services	531,171	-	25,164	(506,007)
53	Data Processing Services	1,290,119	-	200,699	(1,089,420)
61	Community Services	2,418	-	588	(1,830)
72	Debt Service - Interest on Long-Term Debt	1,136,384	-	745,802	(390,582)
73	Debt Service - Bond Issuance Cost and Fees	119,753	-	-	(119,753)
81	Capital Outlay	128,321	-	250,000	121,679
95	Payments to Juvenile Justice Alternative Ed. Prg.	233	-	-	(233)
99	Other Intergovernmental Charges	79,089	-	-	(79,089)
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 47,486,209	$ 1,011,355	$ 9,197,091	(37,277,763)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	9,641,958
DT	Property Taxes, Levied for Debt Service	2,096,445
SF	State Aid - Formula Grants	27,348,717
IE	Investment Earnings	42,258
MI	Miscellaneous Local and Intermediate Revenue	255,505
TR	Total General Revenues	39,384,883
CN	Change in Net Position	2,107,120
NB	Net Position - Beginning	46,945,181
NE	Net Position - Ending	$ 49,052,301

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes		10 General Fund	Major Special Revenue Fund	50 Debt Service Fund
	ASSETS			
1110	Cash and Cash Equivalents	$ 9,877,177	$ -	$ 2,574,851
1120	Investments - Current	-	-	185,441
1220	Property Taxes - Delinquent	970,501	-	180,998
1230	Allowance for Uncollectible Taxes	(535,198)	-	(90,122)
1240	Due from Other Governments	3,151,558	652,511	-
1260	Due from Other Funds	1,598,409	-	15,195
1290	Other Receivables	-	-	-
1300	Inventories	232,145	-	-
1000	Total Assets	$ 15,294,592	$ 652,511	$ 2,866,363
	LIABILITIES			
2110	Accounts Payable	$ 371,754	$ -	$ -
2150	Payroll Deductions and Withholdings Payable	221,120	-	-
2160	Accrued Wages Payable	2,898,763	-	-
2170	Due to Other Funds	15,195	652,511	-
2180	Due to Other Governments	-	-	112,554
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	3,506,832	652,511	112,554
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	435,303	-	90,876
2600	Total Deferred Inflows of Resources	435,303	-	90,876
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	232,145	-	-
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	-	-
3480	Retirement of Long-Term Debt	-	-	2,662,933
	Committed Fund Balance:			
3510	Construction	5,000,000	-	-
3545	Other Committed Fund Balance	-	-	-
3600	Unassigned Fund Balance	6,120,312	-	-
3000	Total Fund Balances	11,352,457	-	2,662,933
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 15,294,592	$ 652,511	$ 2,866,363

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

Other Funds	Total Governmental Funds
$ 1,379,093	$ 13,831,121
-	185,441
-	1,151,499
-	(625,320)
1,332,792	5,136,861
-	1,613,604
2,000	2,000
-	232,145
$ 2,713,885	$ 21,527,351
$ 126,662	$ 498,416
21,200	242,320
239,264	3,138,027
945,898	1,613,604
-	112,554
89,879	89,879
1,422,903	5,694,800
-	526,179
-	526,179
-	232,145
1,030,235	1,030,235
-	2,662,933
-	5,000,000
260,747	260,747
-	6,120,312
1,290,982	15,306,372
$ 2,713,885	$ 21,527,351

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CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT C-2

	Total Fund Balances - Governmental Funds	$	15,306,372
1	The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		-
2	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in fund financial statements.		163,849,801
3	Accumulated depreciation is not reported in the fund financial statements.		(63,323,712)
4	Bonds payable are not reported in the fund financial statements.		(34,845,000)
5	Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.		526,179
6	Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(480,064)
7	Bond premiums are not recognized in the fund financial statements.		(2,993,480)
8	Deferred gain on bond refundings is not recognized in the fund financial statements.		(499,618)
9	Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of $13,384,287, Deferred Inflows of Resources related to TRS in the amount of $2,165,876, and Deferred Outflows of Resources related to TRS in the amount of $5,563,432. This results in a net decrease in Net Position in the amount of $9,986,731.		(9,986,731)
10	Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net Other Post-Employment Benefit (OPEB) liability required by GASB 75 in the amount of $11,693,491, a Deferred Resource Inflow related to TRS OPEB in the amount of $9,312,912, and a Deferred Resource Outflow related to TRS OPEB in the amount of $2,504,957. This amounted to a net decrease in Net Position in the amount of $18,501,446.		(18,501,446)
19	**Net Position of Governmental Activities**	$	49,052,301

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		10 General Fund	Major Special Revenue Fund	50 Debt Service Fund
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 10,096,053	$ -	$ 2,110,832
5800	State Program Revenues	29,160,721	-	745,802
5900	Federal Program Revenues	1,039,996	652,511	-
5020	Total Revenues	40,296,770	652,511	2,856,634
	EXPENDITURES:			
	Current:			
0011	Instruction	20,953,242	650,957	-
0012	Instructional Resources and Media Services	500,168	-	-
0013	Curriculum and Instructional Staff Development	754,782	-	-
0021	Instructional Leadership	1,905,534	-	-
0023	School Leadership	1,992,205	-	-
0031	Guidance, Counseling, and Evaluation Services	390,107	-	-
0032	Social Work Services	181,465	-	-
0033	Health Services	339,489	-	-
0034	Student (Pupil) Transportation	415,052	-	-
0035	Food Services	-	600	-
0036	Extracurricular Activities	957,970	617	-
0041	General Administration	1,394,831	-	-
0051	Facilities Maintenance and Operations	3,381,898	148	-
0052	Security and Monitoring Services	476,629	-	-
0053	Data Processing Services	1,150,467	189	-
0061	Community Services	1,830	-	-
	Debt Service:			
0071	Principal on Long-Term Debt	-	-	2,260,000
0072	Interest on Long-Term Debt	-	-	1,477,962
0073	Bond Issuance Cost and Fees	-	-	119,753
	Capital Outlay:			
0081	Facilities Acquisition and Construction	10,238,687	-	-
	Intergovernmental:			
0095	Payments to Juvenile Justice Alternative Ed. Prg.	233	-	-
0099	Other Intergovernmental Charges	79,089	-	-
6030	Total Expenditures	45,113,678	652,511	3,857,715
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,816,908)	-	(1,001,081)
	OTHER FINANCING SOURCES (USES):			
7911	Capital Related Debt Issued	-	-	4,675,000
7916	Premium or Discount on Issuance of Bonds	-	-	217,350
8911	Transfers Out (Use)	(138,914)	-	-
8949	Other (Uses)	-	-	(4,773,569)
7080	Total Other Financing Sources (Uses)	(138,914)	-	118,781
1200	Net Change in Fund Balances	(4,955,822)	-	(882,300)
0100	Fund Balance - July 1 (Beginning)	16,308,279	-	3,545,233
3000	Fund Balance - June 30 (Ending)	$ 11,352,457	$ -	$ 2,662,933

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

	Other Funds	Total Governmental Funds
$	204,795	$ 12,411,680
	579,556	30,486,079
	5,217,994	6,910,501
	6,002,345	49,808,260
	2,170,510	23,774,709
	-	500,168
	244,771	999,553
	89,362	1,994,896
	-	1,992,205
	313,300	703,407
	-	181,465
	-	339,489
	1,756	416,808
	2,436,042	2,436,642
	186,881	1,145,468
	-	1,394,831
	62,252	3,444,298
	1,747	478,376
	138,577	1,289,233
	588	2,418
	-	2,260,000
	-	1,477,962
	-	119,753
	250,000	10,488,687
	-	233
	-	79,089
	5,895,786	55,519,690
	106,559	(5,711,430)
	-	4,675,000
	-	217,350
	-	(138,914)
	-	(4,773,569)
	-	(20,133)
	106,559	(5,731,563)
	1,184,423	21,037,935
$	1,290,982	$ 15,306,372

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT EXHIBIT C-4
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds	$	(5,731,563)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.		-
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.		10,562,966
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.		(4,229,220)
Current year long-term debt principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.		2,260,000
Current year amortization of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.		226,827
Revenues from property taxes are shown as unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.		(91,683)
Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		78,947
Current year amortization of the deferred gain on bond refundings is not recognized in the fund financial staements, but is shown as a reduction of the deferred gain in the government-wide financial statements.		35,804
Current year issuances of refunding bonds are shown as other financing sources in the fund financial statements, but are shown as increases in long-term debt in the government-wide financial statements.		(4,675,000)
The premiums on the current year issuances of refunding bonds are recorded as other financing sources in the fund financial statements, but are shown as an increase in long-term debt in the government-wide financial statements.		(217,350)
The current year payment to the escrow agent for defeased debt is an other financing use in the fund financial statements, but is reported as a reduction in long-term debt in the government-wide financial statements.		4,773,569

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

The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS contributions made after the measurement date of 8/31/20 caused the change in the ending net position to increase by $7,906. These contributions were replaced with the District's pension expense for the year of $1,210,011, which caused a decrease in the change in net position. The net effect of these is to decrease the change in net position by $1,217,917.	(1,217,917)
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS OPEB contributions made after the measurement date of 8/31/20 but during the current fiscal year caused the ending net position to decrease in the amount of $2,134. These contributions were replaced with the District's negative OPEB expense for the year of $333,874, which caused an increase in net position. The net effect of these is to increase the change in net position by $331,740.	331,740
Change in Net Position of Governmental Activities	$ 2,107,120

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 9,963,354	$ 10,630,260	$ 10,096,053	$ (534,207)
5800	State Program Revenues	27,965,646	28,961,218	29,160,721	199,503
5900	Federal Program Revenues	802,400	1,102,400	1,039,996	(62,404)
5020	Total Revenues	38,731,400	40,693,878	40,296,770	(397,108)
	EXPENDITURES:				
	Current:				
0011	Instruction	20,460,396	21,309,596	20,953,242	356,354
0012	Instructional Resources and Media Services	526,234	568,234	500,168	68,066
0013	Curriculum and Instructional Staff Development	734,240	779,240	754,782	24,458
0021	Instructional Leadership	1,944,325	2,239,325	1,905,534	333,791
0023	School Leadership	1,861,076	2,116,076	1,992,205	123,871
0031	Guidance, Counseling, and Evaluation Services	311,503	512,668	390,107	122,561
0032	Social Work Services	120,316	230,316	181,465	48,851
0033	Health Services	319,613	369,613	339,489	30,124
0034	Student (Pupil) Transportation	525,706	470,706	415,052	55,654
0036	Extracurricular Activities	1,021,375	1,001,375	957,970	43,405
0041	General Administration	1,408,384	1,405,730	1,394,831	10,899
0051	Facilities Maintenance and Operations	3,854,728	3,558,163	3,381,898	176,265
0052	Security and Monitoring Services	477,663	487,663	476,629	11,034
0053	Data Processing Services	1,474,159	1,274,159	1,150,467	123,692
0061	Community Services	3,600	3,600	1,830	1,770
	Capital Outlay:				
0081	Facilities Acquisition and Construction	3,544,082	11,758,082	10,238,687	1,519,395
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	24,000	1,000	-	1,000
0095	Payments to Juvenile Justice Alternative Ed. Prg.	38,000	18,000	233	17,767
0099	Other Intergovernmental Charges	82,000	82,000	79,089	2,911
6030	Total Expenditures	38,731,400	48,185,546	45,113,678	3,071,868
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(7,491,668)	(4,816,908)	2,674,760
	OTHER FINANCING SOURCES (USES):				
8911	Transfers Out (Use)	-	-	(138,914)	(138,914)
1200	Net Change in Fund Balances	-	(7,491,668)	(4,955,822)	2,535,846
0100	Fund Balance - July 1 (Beginning)	16,308,279	16,308,279	16,308,279	-
3000	Fund Balance - June 30 (Ending)	$ 16,308,279	$ 8,816,611	$ 11,352,457	$ 2,535,846

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

EXHIBIT D-1

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 76,172
Total Assets	76,172
LIABILITIES	
Current Liabilities:	
Claims Payable	76,172
Total Liabilities	76,172

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	$ 145,000
Total Operating Revenues	145,000
OPERATING EXPENSES:	
Payroll Costs	283,966
Total Operating Expenses	283,966
Operating Income (Loss)	(138,966)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	52
Total Nonoperating Revenues (Expenses)	52
Income Before Transfers	(138,914)
Transfer In	138,914
Change in Net Position	-
Total Net Position - July 1 (Beginning)	-
Total Net Position - June 30 (Ending)	$ -

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

EXHIBIT D-3

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from District	$ 145,000
Cash Payments for Insurance Claims	(271,112)
Net Cash Used for Operating Activities	(126,112)
Cash Flows from Non-Capital Financing Activities:	
Operating Transfer In	138,914
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	52
Net Increase in Cash and Cash Equivalents	12,854
Cash and Cash Equivalents at Beginning of Year	63,318
Cash and Cash Equivalents at End of Year	$ 76,172
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:	
Operating Income (Loss):	$ (138,966)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accounts Payable	12,854
Net Cash Used for Operating Activities	$ (126,112)

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CUSTODIAL NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	$ 8,119
Total Assets	8,119
NET POSITION	
Unrestricted Net Position	8,119
Total Net Position	$ 8,119

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN CUSTODIAL NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Fund
ADDITIONS:	
Contributions to Student Groups	$ 7,432
Total Additions	7,432
DEDUCTIONS:	
Expenses of Student Groups	15,656
Total Deductions	15,656
Change in Fiduciary Net Position	(8,224)
Total Net Position - July 1 (Beginning)	16,343
Total Net Position - June 30 (Ending)	$ 8,119

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Castleberry Independent School District's (the "District") combined financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FAR). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The Board of Trustees, a seven member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The board of trustees is elected by the public. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basic financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, Castleberry Independent School District has no component units.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. The District had no business-type activities.

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

Fund Financial Statements:

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

1. **General Fund** - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.

2. **Major Special Revenue Fund** - This fund accounts for the federally financed Elementary & Secondary School Emergency Relief Fund III.

3. **Debt Service Fund** - This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused debt service fund balances are transferred to the General Fund after all of the related debt obligations have been met.

Additionally, the District reports the following fund types:

1. **Special Revenue Funds** - These nonmajor funds are established to account for federally financed or expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.

2. **Capital Projects Fund** - This fund is established to account for proceeds, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishings and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

3. **Internal Service Fund** - The District utilizes an Internal Service Fund to account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. This fund facilitates distribution of support costs to the users of support services. The District has an internal service fund for its workers compensation plan.

4. **Custodial Funds** - These funds are used to account for activities of student groups and other organizational activities on a fiduciary basis. If any unused resources are declared surplus by the student groups, they are transferred to the General Fund with a recommendation to the Board for an appropriate utilization through a budgeted program.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and deferred outflows of resources; and liabilities (whether current or non-current) and deferred inflows of resources are included in the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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

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

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year of less at time of purchase. External investment pool are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. BUDGETARY CONTROL

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FAR module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to June 20 of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level and revenue object code level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Debt Service Fund and the Food Service Fund. The other special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting. The budget is amended throughout the year by the Board of Trustees. Such amendments are reflected in the official minutes of the Board.

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

	June 30, 2021 Fund Balance
Appropriated Budget Funds - Food Service Special Revenue Fund	$ 928,642
Nonappropriated Budget Funds	362,340
All Special Revenue Funds	$1,290,982

E. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. The District had no material encumbrances outstanding at June 30, 2021.

F. PREPAYMENTS

Prepayments represent payments made by the District in the current year to provide services occurring in the subsequent fiscal year.

G. INVENTORIES

The consumption method is used to account for inventories of paper and other supplies. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed.

H. INTERFUND RECEIVABLES AND PAYABLES

Short-term amounts owed between funds are classified as "Due to/from other funds". Interfund loans are classified as "Advances to/from other funds" and are offset by a fund balance reserve account.

I. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of $5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and Improvements	7-50 Years
Furniture and Equipment	5-15 Years

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

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

Deferred outflows of resources for pension - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently approximately 6.7 years.

A deferred outflow for pension expense also results from payments made to the TRS pension plan by the District after the plan's measurement date. The total amount of deferred outflows reported in the governmental activities for deferred pension expenses at June 30, 2021 was $5,563,432.

Deferred outflows of resources for OPEB - Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan which is currently approximately 8.6 years. The amount of deferred outflows reported in the governmental activities for deferred OPEB expenses at June 30, 2021 was $2,504,957.

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

Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources in the fund financial statements. The amount of deferred inflows of resources reported in the governmental funds at June 30, 2021 was $526,179.

Deferred inflows of resources for refunding - Reported in the government-wide statement of net position, the deferred gain on bond refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amount of deferred inflows reported in the governmental activities for the deferred gain on bond refundings at June 30, 2021 was $499,618.

Deferred inflows of resources for pension - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period. In fiscal year 2021, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of $2,165,870.

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members (8.6 years for the 2020 measurement year). In fiscal year 2021, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of $9,312,912.

K. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. CASH EQUIVALENTS

Investments are considered to be cash equivalents if they are highly liquid and have a maturity of three months or less when purchased.

M. NET POSITION

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses when incurred.

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

O. RISK MANAGEMENT

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

P. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. FUND BALANCES

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories as being nonspendable as these items are not expected to be converted to cash.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Food Service fund balance is restricted because the use is restricted pursuant to the mandates of the grant.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees has committed General Fund fund balance for future construction. The Board of Trustees has also committed resources as of June 30, 2021 for campus activities and other local special revenue funds.

- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has no assigned fund balance as of June 30, 2021.

- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance of the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 16) and are described below:

General Fund

The General Fund has unassigned fund balance of $6,120,312 at June 30, 2021. Inventories of $232,145 are considered nonspendable fund balance. The Board of Trustees has committed $5,000,000 of fund balance for future construction projects.

Debt Service Fund

The Debt Service Fund has restricted funds of $2,662,933 at June 30, 2021 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt.

Other Funds

The fund balance of $138,298 of the Campus Activity Fund (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. The fund balance of $928,642 in the Food Service Fund and $101,593 in the Summer Feeding Program Fund (special revenue funds) are shown as restricted for those grant programs. Fund balance of $122,449 in other local funds (a special revenue fund) is committed for student scholarships.

NOTE 3. DEPOSITS AND INVESTMENTS

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

1. Cash Deposits:

   At June 30, 2021, the carrying amount of the District's deposit checking accounts and interest-bearing demand accounts was $1,726,232 and the bank balance was $1,926,612. The District's cash deposits at June 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

   The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (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.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

a. 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 June 30, 2021, all deposits were either collateralized with securities held by the District's agent, an irrevocable letter of credit, or covered by FDIC insurance. Thus, the District's deposits are not exposed to custodial credit risk.

b. 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. At June 30, 2021, the District held investments in municipal bonds and in three public funds investment pools (TexPool, Logic, TexSTAR). Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality ratings for TexPool, Logic and TexSTAR at year-end were all AAAm (Standard & Poor's).

d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for TexPool, Logic and TexSTAR is less than 100 days.

e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2021, the District was not exposed to foreign currency risk.

f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. At June 30, 2021, no individual investment exceeded 5% of its total investments. The District's investments in the public funds investment pools are not subject to the concentration risk.

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

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

The District's investments at June 30, 2021, are shown below:

Name	Carrying Amount	Market Value
Bank of Oklahoma:		
Municipal/State Bonds	$ 185,441	$ 180,226
Fidelity Investments:		
Commercial Paper	899,986	899,986
Government Cash Reserves	271,063	271,063
TexPool	3,715,432	3,715,432
Logic	42,259	42,259
TexSTAR	7,021,841	7,021,841
Total	$12,136,022	$12,130,807

Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
Investments by Fair Value level:	**Balance at 6/30/21**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Bank of Oklahoma Securities	$180,226	$ -	$180,226	$ -

The fair value of the certificates of deposit at June 30, 2021 was determined based on level 2 inputs. The District estimates the fair value of these investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The District's investment in the State Investment Pool (a statewide 2a7-like external investment pool) is not required to be measured at fair value but is measured at amortized cost.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 2,908,775	$ 4,419,922	$ -	$ 7,328,697
Construction in progress	27,990,354	4,866,539	(32,856,893)	-
Total capital assets not being depreciated	30,899,129	9,286,461	(32,856,893)	7,328,697
Capital assets, being depreciated				
Buildings and improvements	111,976,772	33,579,334	-	145,556,106
Furniture and equipment	10,410,934	554,064	-	10,964,998
Total capital assets being depreciated	122,387,706	34,133,398	-	156,521,104
Less accumulated depreciation for:				
Buildings and improvements	(51,022,344)	(3,545,252)	-	(54,567,596)
Furniture and equipment	(8,072,148)	(683,968)	-	(8,756,116)
Total accumulated depreciation	(59,094,492)	(4,229,220)	-	(63,323,712)
Total capital assets, being depreciated, net	63,293,214	29,904,178	-	93,197,392
Governmental activities capital assets, net	$ 94,192,343	$39,190,639	$ (32,856,893)	$ 100,526,089

Depreciation expense was charged as direct expense to programs of the District as follows:

Governmental activities:	
Instruction	$2,655,081
Instructional Resources & Media Services	53,854
Curriculum and Staff Development	123,776
Instructional Leadership	240,473
School Leadership	248,288
Guidance, Counseling & Evaluation Services	88,275
Health Services	66,775
Student Transportation	41,288
Food Service	110,284
Extracurricular Activities	73,605
General Administration	138,166
Plant Maintenance & Operations	236,404
Security and Monitoring Services	42,119
Data Processing Services	110,832
Total depreciation expense-Governmental activities	$4,229,220

NOTE 5. LONG-TERM DEBT

Long-term debt includes par bonds and pension and OPEB liabilities. All long-term debt represents transactions in the District's governmental activities.

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

The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2021:

Description	Interest Rate Payable	Amounts Outstanding 7/1/2020	Issued Current Year	Interest Accretion	Retired/ Refunded	Amounts Outstanding 6/30/2021	Due Within One Year
Bonded Indebtedness:							
2010 Refunding Bonds	2.50-4.00%	$ 4,290,000	$ -	$ -	$ 4,290,000	$ -	$ -
2011 Refunding Bonds	3.00-4.00%	1,750,000	-	-	1,750,000	-	-
2018 Refunding Bonds	2.00-5.00%	31,130,000	-	-	960,000	30,170,000	195,000
2021 Refunding Bonds	2.00-3.00%	-	4,675,000	-	-	4,675,000	645,000
Total Bonded Indebtedness:		37,170,000	4,675,000	-	7,000,000	34,845,000	840,000
Other Direct Obligations:							
Bond Premiums/Discounts		3,098,908	217,350	-	322,778	2,993,480	229,995
Net Pension Liability		12,055,229	1,329,058	-	-	13,384,287	-
Net OPEB Liability		15,181,607	-	-	3,488,116	11,693,491	-
Total Other Obligations:		30,335,744	1,546,408	-	3,810,894	28,071,258	229,995
Total Obligations of District		$67,505,744	$6,221,408	$ -	$10,810,894	$62,916,258	$1,069,995

General obligation bonds and related premiums are liquidated from the Debt Service Fund. The Net Pension Liability and Net OPEB Liability are liquidated from the General Fund.

In April 2021, the District issued $4,675,000 (par value) in Unlimited Tax Refunding Bonds to advance refund $4,740,000 (par value) of outstanding bonds. The net proceeds of $4,773,569 ($4,675,000 par amount of the bonds plus $217,351 of premium paid on the bonds less $117,066 of underwriting fees and other issuance costs less $1,716 deposited back to the District) were used to purchase U.S. and State and Local Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds was removed from the long-term debt of the District. The refunded bonds were repaid April 2021, the call dates of the bonds. The reacquisition price was less than the net carrying amount of the old debt by $62,382. The amount is being amortized over the remaining life of the refunded debt, which is the same as the life of the new refunded debt issued. In addition, the refunding resulted in an economic gain of $253,122 (the present value of debt service savings).

Presented below is a summary of general obligation bond requirements to maturity:

	General Obligation		
Year Ended June 30,	Principal	Interest	Total Requirements
2022	$ 840,000	$ 1,348,547	$ 2,188,547
2023	2,345,000	1,334,175	3,679,175
2024	1,640,000	1,278,100	2,918,100
2025	1,765,000	1,231,850	2,996,850
2026	2,870,000	1,187,600	4,057,600
2027-2031	11,380,000	4,341,599	15,721,599
2032-2036	14,005,000	1,725,200	15,730,200
	$34,845,000	$12,447,071	$47,292,071

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. General Obligation Bonds require the District to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The District is in compliance with this requirement.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2021.

NOTE 6. DEFERRED GAIN ON BOND REFUNDINGS

The District's deferred gain on bond refundings is as follows:

Balance – June 30, 2020	$473,040
Current year deferred gain on bond refunding	62,382
Current year amortization	(35,804)
Balance – June 30, 2021	$499,618

NOTE 7. PROPERTY TAXES

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2020-21 fiscal year was based was $946,478,665. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2021, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were $1.0191 and $0.2222 per $100 valuation, respectively, for a total of $1.2413 per $ 100 valuation.

Current tax collections for the year ended June 30, 2021 were 96.6% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2021, property taxes receivable, net of estimated uncollectible taxes, totaled $435,303 and $90,876 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivables and unavailable revenue at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected.

NOTE 8. DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

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

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

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

Contribution Rates

	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

Castleberry ISD FY2021 Employer Contributions	$ 992,292
Castleberry ISD FY2021 Member Contributions	$ 2,114,171
Castleberry ISD FY2021 NECE On-Behalf Contributions	$ 1,387,480

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 the TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public 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 source or a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. The contribution rate called the Public Education Employer Contribution replaced the Non (OASDI) surcharge that was in effect in fiscal year 2019.

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

Actuarial Assumptions. The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

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

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

Asset Class	Target Allocation[1]	Long-Term Expected Arithmetic Real Rate of Return[2]	Expected Contribution To Long-Term Portfolio Returns
Global Equity			
U.S.	18%	3.9%	0.99%
Non-U.S. Developed	13%	5.1%	0.92%
Emerging Markets	9%	5.6%	0.83%
Private Equity	14%	6.7%	1.41%
Stable Value			
Government Bonds	16%	-.7%	-0.05%
Stable Value Hedge Funds	5%	1.9%	0.11%
Real Return			
Real Estate	15%	4.6%	1.01%
Energy, Natural Resources	6%	6%	0.42%
Risk Parity			
Risk Parity	8%	3%	0.30%
Leverage			
Cash	2%	-1.5%	-0.03%
Asset Allocation Leverage	-6%	-1.3%	0.08%
Inflation Expectation	-		2.00%
Volatility Drag[3]	-		-0.67%
Total	100%		7.33%

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Castleberry ISD's proportionate share of the net pension liability:	$20,642,284	$13,384,287	$7,490,793

[1] Target allocations are based on the FY20 policy model.
[2] Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).
[3] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, Castleberry Independent School District reported a liability of $13,384,287 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Castleberry Independent School District. The amount recognized by Castleberry Independent School 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 Castleberry Independent School District were as follows:

District's Proportionate share of the collective net pension liability	$13,384,287
State's proportionate share that is associated with the District	16,453,074
Total	$29,837,361

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

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0249903%, an increase of 7.76% from its proportionate share of 0.023191% at August 31, 2019.

Changes Since the Prior Actuarial Valuation – There were no changes in assumptions since the measurement period.

For the year ended June 30, 2021, Castleberry Independent School District recognized pension expense of $1,387,480 and revenue of $1,387,480 for support provided by the State.

At June 30, 2021, Castleberry Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (The amounts shown below will be the cumulative layers from the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 24,439	$ 373,520
Changes in actuarial assumptions	3,105,631	1,320,493
Difference between projected and actual investment earnings	270,954	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,336,034	471,863
Contributions paid to TRS subsequent to the measurement date	826,374	-
Total	$5,563,432	$2,165,876

The net amounts of the District's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2022	$ 661,907
2023	783,486
2024	772,212
2025	346,716
2026	(27,150)
Thereafter	34,011

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575. The TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/pages/aboutpublications.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. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly for Retirees		
	Medicare	Non-Medicare
Retiree*	$ 135	$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* *or surviving spouse*

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 .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	2020	2021
Active Employee	**0.65%**	**0.65%**
Non-Employer Contributing Entity (State)	**1.25%**	**1.25%**
Employers	**0.75%**	**0.75%**
Federal/private Funding remitted by Employers	**1.25%**	**1.25%**

Castleberry ISD FY21 Employer Contributions	**$231,660**
Castleberry ISD FY21 Member Contributions	**$178,469**
Castleberry ISD FY21 NECE On-behalf Contributions	**$317,457**

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 to TRS Care, a monthly surcharge of $535 per retiree.

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

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020.

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

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

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33%
Aging Factors	Based on specific plan experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the Net OPEB Liability:	$14,032,162	$11,693,491	$9,846,276

Healthcare Cost Trend Rates Sensitivity Analysis - The following shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage less than or one-percentage point greater than the health trend rates is assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the Net OPEB Liability:	$9,552,084	$11,693,491	$14,545,542

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2021, the District reported a liability of $11,693,491 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District.

The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate share of the collective Net OPEB Liability	$11,693,491
State's proportionate share that is associated with the District	15,713,248
Total	$27,406,739

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

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.0307606%, a decrease of 4.17% compared to the August 31, 2019 proportionate share of 0.0321%.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

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

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

For the year ended June 30, 2021, the amount of OPEB expense recognized by the District in the reporting period was $(335,028).

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 612,267	$5,351,539
Changes in actuarial assumptions	721,245	3,211,093
Difference between projected and actual investment earnings	3,800	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	974,643	750,280
Contributions paid to TRS subsequent to the measurement date	193,002	-
Total	$2,504,957	$9,312,912

The net amounts of the employer's balance of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	OPEB Expense Amount
2022	$ (1,139,879)
2023	(1,140,387)
2024	(1,140,677)
2025	(1,140,598)
2026	(828,260)
Thereafter	(1,611,156)

NOTE 10. MEDICARE PART D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2021, 2020 and 2019, the subsidy payments received by TRS-Care on behalf of the District were $135,289, $112,433 and $97,773, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

NOTE 11. HEALTH CARE

During the year ended June 30, 2021, employees of Castleberry Independent School District were covered by a health insurance plan (the Plan). The District contributed $293 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contribution and contributions for dependents. All contributions were paid to a fully insured plan.

NOTE 12. WORKERS COMPENSATION

The District participates in the Texas Educational Insurance Association Workers Compensation Self-Insurance Joint Fund. The District is partially self-funded to a loss fund maximum of $149,230 for the 20-21 fiscal year. Additionally, the District incurred fixed costs of $48,464 for their share of claims administration, loss control, record keeping, and cost of excess insurance.

Claims Administrative Services, Inc provides claims administration. Reinsurance is provided for aggregate claim losses exceeding $500,000 for the entire pool. The fixed cost charge is based on total payroll paid by the District. Increases or decreases in the fixed costs will adjust subsequent year charges.

The accrued liability for workers compensation self-insurance of $76,172 includes incurred but not reported claims. This liability is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which require that a liability for claims be reported if information indicates that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The liability recorded is an undiscounted actuarial calculation.

Changes in workers compensation claims liability amounts in fiscal year 2021 and 2020 are presented below:

Fiscal Year	July 1 Claims Liability	Claims and Changes in Estimates	Claims Payments	June 30 Claims Liability
2021	$63,318	$176,945	$164,091	$76,172
2020	62,083	144,020	142,785	63,318

NOTE 13. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation, Per Capita, Existing Debt Allotment, and Instruction Facilities Allotment Programs. Amounts due from federal and state governments as of June 30, 2021, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Grants	Local Governments	Total
General	$3,001,121	$ -	$150,437	$3,151,558
Major Special Revenue	-	652,511	-	652,511
Other Special Revenue	264,724	1,068,068	-	1,332,792
Debt Service	-	-	-	-
Total	$3,265,845	$1,720,579	$150,437	$5,136,861

NOTE 14. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2021 represented short-term advances between funds. These amounts are expected to be repaid in less than one year from June 30, 2021.

Fund	Due from Other Funds	Due to Other Funds
Major Governmental Funds:		
General Fund:		
Debt Service Fund	$ -	$ 15,195
Major Special Revenue Fund	652,511	652,511
Non-Major Special Revenue Fund	945,898	-
Debt Service Fund:		
General Fund	15,195	-
Total Major Governmental Funds	1,613,604	667,706
Nonmajor Governmental Funds:		
Special Revenue Funds:		
General Fund	-	945,898
Total Nonmajor Governmental Funds	-	945,898
Total	$1,613,604	$1,613,604

During the year ended June 30, 2021, $138,914 was transferred from the General Fund to the Internal Service Fund as an equity transfer.

NOTE 15. LITIGATION AND CONTINGENCIES

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 16. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the year ended June 30, 2021, revenues from local and intermediate sources in the fund financial statements consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Property taxes	$ 9,595,410	$ -	$ 2,087,006	$ 11,682,416
Food sales	-	48,763	-	48,763
Investmnet income	39,887	591	1,780	42,258
Penalties, interest and other tax related income	125,624	-	22,046	147,670
Co-curricular student activities	52,835	155,441	-	208,276
Other	282,297	-	-	282,297
Total	$ 10,096,053	$ 204,795	$ 2,110,832	$ 12,411,680

NOTE 17. UNEARNED REVENUE

Unearned revenue at June 30, 2021 consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Federal Grants	$ -	$ 82	$ -	$ 82
State Grants	-	89,797	-	89,797
Total	$ -	$ 89,879	$ -	$ 89,879

NOTE 18. RISKS AND UNCERTAINTIES

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas. On January 31, 2021, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic, which disaster declaration he has subsequently extended. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting State business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a series of executive orders relating to COVID-19 preparedness and mitigation.

On June 3, 2021, TEA issued updated public planning health guidance in accordance with Executive Order GA-36 (which became effective June 5, 2021), to address on-campus instruction, administrative activities by teachers, staff or students that occur on school campuses, non-UIL extracurricular sports and activities, and any other activities that teachers, staff, or students must complete. Within the guidance, TEA instructs schools that, per Executive Order GA-36, school systems cannot require students or staff to wear a mask; however, school systems must allow individuals to wear a mask if they choose to do so.

Within the guidance, TEA instructs schools to notify their local health department, in accordance with applicable federal, state, and local laws and regulations, including any applicable confidentiality requirements, of individuals who have been in a school and test-confirmed to have COVID-19. Additionally, upon receipt of information that any teacher, staff member, student, or visitor at a school is test-confirmed to have COVID-19, the school must submit a report to the Texas Department of Health Services via its online portal.

The TEA advised districts that for the 2020-2021 school year district funding would return to being based on "Average Daily Attendance" (being generally calculated as the sum of student attendance for each State-mandated day of instruction divided by the number of State-mandated days of instruction, defined herein as "ADA") calculations requiring attendance to be taken. However, the TEA has crafted an approach for determining ADA during the pandemic that provides districts with several options for determining daily attendance. These include remote synchronous instruction, remote asynchronous instruction, on-campus instruction and the Texas Virtual Schools Network. To stabilize funding expectations, districts were initially provided an ADA grace period for the first two six weeks of the 2020-2021 school year. If a district's first two six-weeks average ADA is less than the ADA hold harmless projections (described below), the first two six-week attendance reporting periods for 2020-2021 were excluded from the calculation of annual ADA and student full-time equivalents ("FTE") for Foundation School Program ("FSP") funding purposes and replaced with the ADA and FTE hold harmless projections that were derived using a three-year average trend of final numbers from the 2017-2018 through 2019-2020 school years, unless the projection is both (i) 15% higher and (ii) 100 ADA higher than the 2020-2021 legislative planning estimate ("LPE") projections provided by the TEA to the State legislature pursuant to Section 48.269 of the Texas Education Code, in which case the 2020-2021 LPE ADA and FTE were used as the hold harmless projections.

The ADA hold harmless projection was also available for the third six-week attendance reporting period, but only for those districts that allowed on-campus instruction throughout the entire third six-week period, as further described below. The ADA hold harmless methodology was identical to the methodology used for the first two six-week attendance reporting periods, except that the third six-week period was examined independent of the first two six-week attendance reporting periods.

The ADA hold harmless projection was extended for the remainder of the 2020-2021 school year (the fourth, fifth, and sixth six-week attendance reporting periods). In order to qualify, a district must meet certain criteria established by the TEA related to on-campus.

The full extent of the ongoing impact of COVID-19 on the District's longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies discussed above, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted. The District continues to monitor the spread of COVID-19 and is working with local, State and national agencies to address the potential impact of the Pandemic upon the District. While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the District. The District's bonded debt is secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Additionally, State funding of District operations and maintenance in future fiscal years could be adversely impacted by the negative effects on economic growth and financial markets resulting from the Pandemic as well as ongoing disruptions in the global oil markets.

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REQUIRED SUPPLEMENTARY INFORMATION

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.0249903%	0.023191%	0.024203%
District's Proportionate Share of Net Pension Liability (Asset)	$ 13,384,287	$ 12,055,229	$ 13,322,019
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	16,453,074	18,869,456	19,387,319
Total	$ 29,837,361	$ 30,924,685	$ 32,709,338
District's Covered Payroll	$ 26,815,533	$ 26,236,976	$ 24,997,568
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	49.91%	45.95%	53.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

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

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

FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.022%	0.024%	0.025%	0.016%
$ 7,119,403	$ 8,963,965	$ 8,755,865	$ 4,323,398
12,274,371	13,472,909	12,256,864	10,645,315
$ 19,393,774	$ 22,436,874	$ 21,012,729	$ 14,968,713
$ 24,679,445	$ 23,368,708	$ 22,034,841	$ 20,713,370
28.85%	38.36%	39.74%	20.87%
82.17%	78.00%	78.43%	83.25%

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

	2021	2020	2019
Contractually Required Contribution	$ 992,292	$ 991,108	$ 805,932
Contribution in Relation to the Contractually Required Contribution	(992,292)	(991,108)	(805,932)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 27,455,252	$ 26,766,274	$ 26,231,017
Contributions as a Percentage of Covered Payroll	3.61%	3.70%	3.07%

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

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

2018	2017	2016	2015
$ 746,149	$ 611,663	$ 753,869	$ 733,450
(746,149)	(611,663)	(753,869)	(733,450)
$ -	$ -	$ -	$ -
$ 25,060,253	$ 20,587,803	$ 23,368,708	$ 22,034,841
2.98%	2.97%	3.23%	3.33%

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.0307606%	0.0321%	0.0317%	$ 0.03%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 11,693,491	$ 15,181,607	$ 15,825,879	$ 12,962,036
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	15,713,248	20,172,959	20,910,298	$ 18,971,514
Total	$ 27,406,739	$ 35,354,566	$ 36,736,177	$ 31,933,550
District's Covered Payroll	$ 26,815,533	$ 26,236,976	$ 24,997,568	$ 24,679,445
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	43.61%	57.86%	63.31%	$ 52.52%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	$ 0.91%

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

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

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

	2021	2020	2019	2018
Contractually Required Contribution	$ 231,660	$ 235,145	$ 225,768	$ 173,685
Contribution in Relation to the Contractually Required Contribution	(231,660)	(235,145)	(225,768)	(173,685)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 27,455,252	$ 26,766,274	$ 26,231,017	$ 25,060,253
Contributions as a Percentage of Covered Payroll	0.84%	0.88%	0.86%	0.69%

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

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

PENSION LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

OPEB LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

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

COMBINING SCHEDULES

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	240 National Breakfast and Lunch Program	242 Summer Feeding Program
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ 993,234	$ 742
1240	Due from Other Governments	165,660	301,173	127,509	101,593
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 165,660	$ 301,173	$ 1,120,743	$ 102,335
	LIABILITIES				
2110	Accounts Payable	$ 1,628	$ 5,375	$ 94,089	$ 742
2150	Payroll Deductions and Withholdings Payable	6,085	3,521	9,764	-
2160	Accrued Wages Payable	83,202	37,904	88,248	-
2170	Due to Other Funds	74,745	254,373	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	165,660	301,173	192,101	742
	FUND BALANCES				
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	928,642	101,593
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	928,642	101,593
4000	Total Liabilities and Fund Balances	$ 165,660	$ 301,173	$ 1,120,743	$ 102,335

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	276 Instructional Continuity	281 ESSER-School Emergency Relief-II	289 Other Federal Special Revenue Funds	410 State Instructional Materials
$ -	$ -	$ 14,979	$ -	$ -	$ -	$ -	$ -
32,766	17,995	-	-	14,703	263,407	43,262	264,724
-	-	-	-	-	-	-	-
$ 32,766	$ 17,995	$ 14,979	$ -	$ 14,703	$ 263,407	$ 43,262	$ 264,724
$ 7,506	$ -	$ -	$ -	$ -	$ -	$ 5,449	$ -
-	793	1,037	-	-	-	-	-
-	16,050	13,860	-	-	-	-	-
25,260	1,152	-	-	14,703	263,407	37,813	264,724
-	-	82	-	-	-	-	-
32,766	17,995	14,979	-	14,703	263,407	43,262	264,724
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 32,766	$ 17,995	$ 14,979	$ -	$ 14,703	$ 263,407	$ 43,262	$ 264,724

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	480 Other Local Funds	Total Nonmajor Special Revenue Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 91,808	$ 148,157	$ 130,170	$ 1,379,090
1240	Due from Other Governments	-	-	-	1,332,792
1290	Other Receivables	-	-	2,000	2,000
1000	Total Assets	$ 91,808	$ 148,157	$ 132,170	$ 2,713,882
	LIABILITIES				
2110	Accounts Payable	$ 2,011	$ 9,859	$ -	$ 126,659
2150	Payroll Deductions and Withholdings Payable	-	-	-	21,200
2160	Accrued Wages Payable	-	-	-	239,264
2170	Due to Other Funds	-	-	9,721	945,898
2300	Unearned Revenue	89,797	-	-	89,879
2000	Total Liabilities	91,808	9,859	9,721	1,422,900
	FUND BALANCES				
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	1,030,235
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	138,298	122,449	260,747
3000	Total Fund Balances	-	138,298	122,449	1,290,982
4000	Total Liabilities and Fund Balances	$ 91,808	$ 148,157	$ 132,170	$ 2,713,882

616 Capital Projects Fund	Total Nonmajor Governmental Funds
$ 3	$ 1,379,093
-	1,332,792
-	2,000
$ 3	$ 2,713,885
$ 3	$ 126,662
-	21,200
-	239,264
-	945,898
-	89,879
3	1,422,903
-	1,030,235
-	260,747
-	1,290,982
$ 3	$ 2,713,885

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	240 National Breakfast and Lunch Program	242 Summer Feeding Program
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ 23,499	$ 25,853
5800	State Program Revenues	-	-	29,383	-
5900	Federal Program Revenues	1,037,788	770,174	151,826	2,408,480
5020	Total Revenues	1,037,788	770,174	204,708	2,434,333
	EXPENDITURES:				
	Current:				
0011	Instruction	620,039	689,277	-	-
0013	Curriculum and Instructional Staff Development	93,640	-	-	-
0021	Instructional Leadership	83,114	6,248	-	-
0031	Guidance, Counseling, and Evaluation Services	238,651	74,649	-	-
0034	Student (Pupil) Transportation	1,756	-	-	-
0035	Food Services	-	-	159,676	2,276,366
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	4,853	57,399
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	588	-	-	-
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	1,037,788	770,174	164,529	2,333,765
1200	Net Change in Fund Balance	-	-	40,179	100,568
0100	Fund Balance - July 1 (Beginning)	-	-	888,463	1,025
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ 928,642	$ 101,593

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	276 Instructional Continuity	281 ESSER-School Emergency Relief-II	289 Other Federal Special Revenue Funds	410 State Instructional Materials
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	528,978
51,246	145,261	69,005	214,305	26,939	263,407	79,563	-
51,246	145,261	69,005	214,305	26,939	263,407	79,563	528,978
51,246	-	69,005	75,728	26,939	13,407	73,693	528,978
-	145,261	-	-	-	-	5,870	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	138,577	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	250,000	-	-
51,246	145,261	69,005	214,305	26,939	263,407	79,563	528,978
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	480 Other Local Funds	Total Nonmajor Special Revenue Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ 155,347	$ 96	$ 204,795
5800	State Program Revenues	21,195	-	-	579,556
5900	Federal Program Revenues	-	-	-	5,217,994
5020	Total Revenues	21,195	155,347	96	6,002,345
	EXPENDITURES:				
	Current:				
0011	Instruction	19,448	-	2,750	2,170,510
0013	Curriculum and Instructional Staff Development	-	-	-	244,771
0021	Instructional Leadership	-	-	-	89,362
0031	Guidance, Counseling, and Evaluation Services	-	-	-	313,300
0034	Student (Pupil) Transportation	-	-	-	1,756
0035	Food Services	-	-	-	2,436,042
0036	Extracurricular Activities	-	186,881	-	186,881
0051	Facilities Maintenance and Operations	-	-	-	62,252
0052	Security and Monitoring Services	1,747	-	-	1,747
0053	Data Processing Services	-	-	-	138,577
0061	Community Services	-	-	-	588
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-	250,000
6030	Total Expenditures	21,195	186,881	2,750	5,895,786
1200	Net Change in Fund Balance	-	(31,534)	(2,654)	106,559
0100	Fund Balance - July 1 (Beginning)	-	169,832	125,103	1,184,423
3000	Fund Balance - June 30 (Ending)	$ -	$ 138,298	$ 122,449	$ 1,290,982

616 Capital Projects Fund	Total Nonmajor Governmental Funds
$ -	$ 204,795
-	579,556
-	5,217,994
-	6,002,345
-	2,170,510
-	244,771
-	89,362
-	313,300
-	1,756
-	2,436,042
-	186,881
-	62,252
-	1,747
-	138,577
-	588
-	250,000
-	5,895,786
-	106,559
-	1,184,423
$ -	$ 1,290,982

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REQUIRED T.E.A. SCHEDULES

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2021

Last 10 Years		(1) Tax Rates	(2)	(3) Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2012	and prior years	Various	Various	$ Various
2013		1.170000	0.283300	456,101,409
2014		1.170000	0.245500	458,343,059
2015		1.170000	0.229700	480,851,611
2016		1.170000	0.245500	484,799,224
2017		1.170000	0.206600	534,649,136
2018		1.170000	0.222200	611,561,909
2019		1.170000	0.222200	767,268,881
2020		1.068400	0.222200	900,396,903
2021	(School year under audit)	1.019100	0.222200	946,478,665
1000	TOTALS			

(10) Beginning Balance 7/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
$ 453,669	$ -	$ 2,131	$ 371	$ (16,152)	$ 435,015
32,549	-	644	156	(1)	31,748
62,271	-	1,047	220	-	61,004
36,515	-	2,039	400	-	34,076
29,947	-	3,949	829	(49)	25,120
31,115	-	6,106	1,078	3,180	27,111
38,092	-	7,840	1,489	2,977	31,740
111,007	-	62,260	11,824	(1,022)	35,901
443,657	-	271,470	56,462	(41,839)	73,886
-	11,102,420	9,237,842	2,014,177	545,497	395,898
$ 1,238,822	$ 11,102,420	$ 9,595,328	$ 2,087,006	$ 492,591	$ 1,151,499

EXHIBIT J-2

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 284,325	$ 284,325	$ 23,499	$ (260,826)
5800	State Program Revenues	17,000	17,000	29,383	12,383
5900	Federal Program Revenues	1,677,000	2,127,000	151,826	(1,975,174)
5020	Total Revenues	1,978,325	2,428,325	204,708	(2,223,617)
	EXPENDITURES:				
	Current:				
0035	Food Services	1,926,725	2,356,725	159,676	2,197,049
0051	Facilities Maintenance and Operations	51,600	71,600	4,853	66,747
6030	Total Expenditures	1,978,325	2,428,325	164,529	2,263,796
1200	Net Change in Fund Balances	-	-	40,179	40,179
0100	Fund Balance - July 1 (Beginning)	888,463	888,463	888,463	-
3000	Fund Balance - June 30 (Ending)	$ 888,463	$ 888,463	$ 928,642	$ 40,179

EXHIBIT J-3

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 2,128,406	$ 2,171,896	$ 2,110,832	$ (61,064)
5800	State Program Revenues	804,638	804,638	745,802	(58,836)
5020	Total Revenues	2,933,044	2,976,534	2,856,634	(119,900)
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	1,451,581	2,478,571	2,260,000	218,571
0072	Interest on Long-Term Debt	1,477,963	1,477,963	1,477,962	1
0073	Bond Issuance Cost and Fees	3,500	120,000	119,753	247
6030	Total Expenditures	2,933,044	4,076,534	3,857,715	218,819
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,100,000)	(1,001,081)	98,919
	OTHER FINANCING SOURCES (USES):				
7911	Capital Related Debt Issued	-	4,892,351	4,675,000	(217,351)
7916	Premium or Discount on Issuance of Bonds	-	-	217,350	217,350
8949	Other (Uses)	-	(4,773,569)	(4,773,569)	-
7080	Total Other Financing Sources (Uses)	-	118,782	118,781	(1)
1200	Net Change in Fund Balances	-	(981,218)	(882,300)	98,918
0100	Fund Balance - July 1 (Beginning)	3,545,233	3,545,233	3,545,233	-
3000	Fund Balance - June 30 (Ending)	$ 3,545,233	$ 2,564,015	$ 2,662,933	$ 98,918

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FEDERAL AWARDS SECTION

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Members:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' 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
Castleberry Independent School District
Fort Worth, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Castleberry Independent School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Castleberry Independent School District's basic financial statements, and have issued our report dated October 29, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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*.

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 District's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tonn & Seay, PC

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

October 29, 2021

Members:
AMERICAN INSTITUTE OF
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Castleberry Independent School District
Fort Worth, Texas

Report on Compliance for Each Major Federal Program

We have audited Castleberry Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Castleberry Independent School District's major federal programs for the year ended June 30, 2021. Castleberry Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Castleberry Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Hankins, Eastup, Deaton, Tonn + Seay, PC

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

October 29, 2021

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.

2. Internal control over financial reporting:
   Material weakness(es) identified: None
   Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported

3. Noncompliance which is material to the financial statements: None

4. Internal controls over major federal programs:
   Material weakness(es) identified: None
   Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported

5. Type of auditor's report on compliance for major federal programs: Unmodified.

6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)?: No

7. Major programs include:

   Child Nutrition Cluster:
   FALN 10.553 School Breakfast Program
   FALN 10.555 National School Lunch Program
   FALN 10.555 Child Nutrition Program EOC Reimbursement
   FALN 10.559 Summer Feeding Program

   FALN 10.558 Child & Adult Care Food Program

   FALN 84.425 Elementary & Secondary School Emergency Relief Fund

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

9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Findings and Questioned Costs Related to Federal Awards

None

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

No prior year findings.

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101220917	$ 80,532
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101220917	848,359
ESEA, Title I, Part A - School Improvement	84.010A	21610141220917	11,475
Total Assistance Listing Number 84.010A			940,366
*IDEA - Part B, Formula	84.027	206600012209176600	145,620
*IDEA - Part B, Formula	84.027	216600012209176600	647,383
Total Assistance Listing Number 84.027			793,003
Total Special Education Cluster (IDEA)			793,003
Career and Technical - Basic Grant	84.048	21420006220917	53,143
Title III, Part A - English Language Acquisition	84.365A	21671001220917	73,343
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20694501220917	5,086
ESEA, Title II, Part A, Teacher Principal Training	84.367A	21694501220917	145,213
Total Assistance Listing Number 84.367A			150,299
Instructional Continuity	84.377A	17610740220917	28,000
School Transformation	84.377A	176107337110004	135,416
Total Assistance Listing Number 84.377A			163,416
ESEA, Title IV, Part A - Student Support	84.424A	20680101220917	13,370
ESEA, Title IV, Part A - Student Support	84.424A	21680101220917	69,412
Total Assistance Listing Number 84.424A			82,782
Elementary & Secondary School Emergency Relief Fd	84.425D	20521001220917	214,305
Elementary Secondary School Emergency Relief II	84.425D	21521001220917	263,407
Elementary Secondary School Emergency Relief III	84.425U	21528001220917	652,511
Total Assistance Listing Number 84.425			1,130,223
Total Passed Through State Department of Education			3,386,575
TOTAL U.S. DEPARTMENT OF EDUCATION			3,386,575
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the State Department of Agriculture			
*School Breakfast Program	10.553	71402101	9,383
*National School Lunch Program - Cash Assistance	10.555	71302101	14,829
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302101	149,449
*Child Nutrition Program EOC Reimbursement	10.555	216TX001	127,508
Total Assistance Listing Number 10.555			291,786
*Summer Feeding Program - Cash Assistance	10.559	C000298	1,808,318
Total Child Nutrition Cluster			2,109,487
Child & Adult Care Food Program - Cash Assistance	10.558	216TX332	450,819
Total Passed Through the State Department of Agriculture			2,560,306
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,560,306
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 5,946,881

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***.

  - **General Fund** - is used to account for among other things, revenues from School Health and Related Services (SHARS).

  - **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

  With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used in the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343 (b).

- FALN numbers for commodity assistance are the FALN numbers of the programs under which USDA donated the commodities.

- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of $76,376.

- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	$5,946,881
SHARS Revenue reported in the General Fund	727,525
Plus Revenue Received from Coronavirus Relief Fund for FY20 Expenditures:	
Passed through TDEM	236,095
Total Federal Program Revenue	$6,910,501