SAN BENITO SCHOOLS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

2019-2020

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2020

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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Vicki Perez
Interim Assistant Superintendent of Finance & Operations

Board of Trustees

Orlando López
President

Sonia Weaver
Vice-President

Janie G. Silva
Secretary

Rudy Corona
Anna Garza Llanes
Janie Lopez
Ramiro M. Moreno

January 19, 2021

Mr. Orlando Lopez, President,
Members of the Board of Trustees, and
Patrons of the San Benito Consolidated
Independent School District
San Benito, Texas 78586

Dear Mr. Lopez, Board of Trustees, and Patrons:

We are pleased to present the San Benito Consolidated Independent School District (the "District") Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2020. The report was prepared by the Business Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures contained in the report, rests solely with the District.

The District's annual audited financial statements of the governmental activities, each major fund, and the aggregate remaining fund information are presented in conformity with requirements established by the Texas Education Agency in their Financial Accountability Systems Resource Guide. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statement in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designated to provide, reasonable rather than absolute, assurance that the financial statement will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's independent auditors were **Cascos & Associates, PC** and their opinion letter is hereby made a part of this report. Texas law requires that each public school district in the state undergo an annual audit conducted by an independent audit firm of certified public accountants and publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements. This audit must be done in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

The goal of the independent audit was to provide reasonable assurance that the financial statements of San Benito Consolidated Independent School District for fiscal year ended June 30, 2018, are free of material misstatement and are presented in conformity with generally accepted accounting principles (GAAP). The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates

It is the policy of the San Benito CISD not to discriminate on the basis of race, color, national origin, gender, or disability in its educational and Career and Technology programs, services or activities as required by Title VI of the Civil Rights Act of 1964.

made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.



The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designated to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirement, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on the internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the Federal Awards Section of the report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

This comprehensive annual financial report consists of four major sections: (1) the Introductory Section which describes our District and the contents of the report; (2) the Financial Section which contains the basic financial statements and notes, combining schedules and required TEA schedules; (3) the Statistical Section which shows prior years information for comparison purposes and other general information; and (4) the Federal Awards Section, as required.

GOVERNING BODY

San Benito Consolidated Independent School District ("District") is a political subdivision of the State of Texas. The District encompasses approximately 16.1 square miles with a population of 24,385 and is located near the Gulf of Mexico in Cameron County in the southwest corner of Texas. The District is located on
Interstate Highway 77 (Interstate 69E), about 10 miles south of Harlingen, 20 miles north of Brownsville, and 40 miles east of McAllen in the Rio Grande Valley.

The policy-making functions of the District lie with a seven-member Board of Trustees (the Board) composed of District residents, each of which is elected by the voters of the district for three-year staggered terms. Regular meetings are scheduled the second Tuesday of the month and are held at the John F. Barron Board Room located at 240 N. Crockett St in San Benito, TX. Special called meetings, committee meetings and workshop sessions are scheduled as needed and announced to the public in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, the court system and by the will of its citizens as expressed in school Board elections and bond referendums. Board decisions are based on a majority vote of those present.

In general, the Board is responsible for adopting policy, employing and evaluating the Superintendent and overseeing the operations of the District and its schools. The Board is also responsible for setting the tax rate, adopting the annual budget along with periodic amendments, setting salary schedules, approving pay increases and serving as a board of appeals in personnel and student matters. The Board receives funding from local, state and federal source entities. This report contains all funds pertaining to the District. Serving without compensation, Board members establish the policies by which schools operate. In carrying out the task of setting policy, the board identifies needs and establishes priorities for the school system, allocates financial and human resources among the priority areas and evaluates school performance. The District's Superintendent of Schools and staff assist the Board with financial and administrative matters and oversee the day-to-day operations of the District.

Budgetary Controls

On an annual basis, the District presents the Board of Trustees with the proposed budgets for the General Operating Fund, the Debt Service Fund, and the Food Service Fund for approval as required by the Texas Education Code and as described in the Texas Education Agency's Financial Accountability Systems Resource Guide. The proposed budget is presented to the Board summarized at the function level for each of the funds above. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the District's fiscal year. After adoption of the budget, the appropriation amounts are entered into the District's accounting and encumbrance system and monitoring of the expenditures and encumbrances in relation to the approved budget begins.

Budget managers have the authority to approve budget transfers anytime during the year. A budget transfer is the movement of appropriations between budget line items within the same function. Any request to move appropriations between budget line items to different functions is considered a budget amendment. Any budget amendment requested by budget managers requires Board approval. Expenditure requests will not be processed unless appropriations are available in the line item.

The District feels that the budgetary controls currently in place are adequate to ensure that expenditures remain within the approved budget and that the District complies with regulations established by the Texas Education Code and the Financial Accountability Systems Resource Guide.

The District evaluates the existing system of internal controls annually through self-evaluation and the annual independent financial and compliance audit. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from authorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of controls should not exceed benefits expected to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

Services Provided

The District provides a safe and learning environment that ensures a quality education for grade levels Pre-kindergarten 3 through the 12th grade. Beginning in eleven elementary schools, three middle schools, six alternative education programs and extending through two high schools, students study the essential elements of language arts, reading, science, mathematics, art, music, physical education and computer literacy. This includes a special education program for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency, and specialized instruction for disadvantaged students.



Enrollment

San Benito CISD is a Title I District and has a total enrollment of 10,250 students for the 2019-2020 school year. Of these students, 99.1% are Hispanic, 0.7% White, 83.6% of the students are economically disadvantaged, 58.0% of the students are At-Risk, and 22.5% of all students are identified as Limited English Proficient language learners.

The breakdown of our student membership is as follows:

Students by Grade	Count	Percent
Early Childhood Ed	16	0.2%
Pre-Kindergarten	722	7.0%
Kindergarten	665	6.5%
Grade 1	668	6.5%
Grade 2	691	6.7%
Grade 3	673	6.6%
Grade 4	745	7.3%
Grade 5	772	7.5%
Grade 6	748	7.3%
Grade 7	762	7.4%
Grade 8	746	7.3%
Grade 9	828	8.1%
Grade 10	834	8.1%
Grade 11	729	7.1%
Grade 12	651	6.4%

Average daily attendance has been stable and with a small decline in the past few years. ADA is expected to continue at this pace in the near term. Projected membership for school year 2020-2021 is expected to reach 9,161.

Campuses

San Benito CISD currently has eleven elementaries, three middle school, two high schools, and seven alternative schools:

Elementary Campuses
Angela G. Leal Elementary
Dr. C.M. Cash Elementary
Dr. Raul Garza, Jr. STEAM Academy
Ed Downs Fine Arts Academy
Frank Roberts Elementary School
Fred Booth Elementary
Judget Oscar De La Fuente Elementary
La Encantada Elementary
La Paloma Elementary
Rangerville Elementary
Sullivan Environmental Science Academy



Middle School Campuses
Berta Cabaza Middle School
Miller Jordan Middle School
Riverside Middle School

High School Campuses
Veterans Memorial Academy
San Benito High School

Alternative Schools
Amador Rodriguez Boot Camp
Cameron County JJAEP
Darrel Hester Detention Center
Gateway to Graduation
Positive Redirection Center
RGV Youth Recovery Home

Mission Statement

The mission of the San Benito CISD is to provide a premier education for all students, through a positive and safe learning environment, so that its graduates are college, career, and workforce ready.

Core Values Statement

San Benito CISD believes that:

- All students can and will learn
- All teachers can teach
- High expectations for all encourage excellence
- Resources to support students' needs must be provided
- Excellence in teaching and learning is vital
- All students will be supported to pursue their passion upon graduation
- Respect for all individuals is essential
- A community with shared ownership, purpose, and commitment work well together

Achievements



The District has had their share of many student recognitions. In addition to the outstanding work done by our student, the business office has had achievements as well.

The Schools FIRST (Financial Accountability Rating System of Texas), was developed by the Texas Education Agency in response to Senate Bill 875 passed in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of the State's school finance system.

The San Benito Consolidated Independent School District received an "Above Standard" rating under Texas' Schools FIRST financial accountability rating system for the 2018-2019 fiscal year. The primary goal of School FIRST is to achieve quality performance in the management of school district's financial resources. This goal is now more significant due to the complexity of accounting associated with the Texas school finance system.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

Employment and the Labor Force

The City of San Benito is the third largest City within Cameron County. The City's economy is positively impacted by the North American Free Trade Agreement (NAFTA), the growth of manufacturing plants and the shipping industry of fruits and vegetables via the international bridge.
The maquiladora (twin manufacturing plant) industry operates on the concept of manufacturing performed in Mexico with support facilities on the U.S. side. San Benito is just minutes from the Free Trade International Bridge at Los Indios, TX which it partially owns. The bridge is one of the most modern ports of entry of South Texas, and provides a quick route to the Mexican border cities of Matamoros, Reynosa and Valle Hermoso, as well as the interior industrial city of Monterrey.
San Benito's economy is supported by two major retail developments Wal-Mart and HEB Grocery.

Long-term Financial Planning and Major Initiatives

The District continues to maintain a healthy General Fund Balance. The District has maintained the fund balance to ensure that needed resources are available when required to meet unexpected revenue shortfalls and one-time expenditures that may exceed the annual available resources. If certain events occur during the year, the District may react with appropriate budget changes and or amendments as per CE (Local) Policy, "The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget."

Indicators pointing to a healthy financial standing in San Benito are the steady increase in sales tax
which is up by almost 3 percent, and a 20 percent increase in business permits. The City is seeing steady growth, and is on track to experience even greater economic wellbeing into the future.

Some of the major initiatives for FY2020 are as follows:

- Finalization of LED projects throughout the district.
- Paid off the fleet of buses for the transportation department.
- Installation of ionizers and thermal scanners in all campuses.
- Implemented a food service program contracted through Southwest Foodservice Excellence.

Debt Service

Debt Service is a major area of cost due to the District's building program which is primarily financed by the sale of general obligation bonds. The Texas Education Code (TEC) authorizes the District to issue negotiable coupon bonds to construct, acquire, or equip school buildings, to purchase necessary sites, or to acquire or refinance property financed under a contract entered into under the Public Property Finance Act. The District is further authorized to levy and assess annual ad valorem taxes sufficient to pay the principal and interest on the bonds as they become due. The District's primary objective in debt management is to keep the level of indebtedness within available resources and within legal debt limitations.

All bond elections are held in accordance with statutory requirements and bonds are issued and taxes are levied in compliance with Sections 45.001, 45.003(b)(1), and 45.003(e) of the Texas Education Code.

As of June 30, 2020, the District had six School Building Unlimited Tax Refunding Bonds, with maturities extending into the year 2038.

Rating

In October 2016, the District's bonds have been rated "AAA" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"). S&P generally rates all bonds guaranteed by the Permanent School Fund of Texas "AAA". The currently outstanding tax supported debt of the District has a rating of "AAA" by S&P by virtue of the Permanent School Fund Guarantee.

Fiduciary Operations

The District maintains the fiduciary responsibility of monitoring the individual campus' student activity funds. The District ensures that proper control over cash is maintained and that all procedures are in accordance with TEA's Financial Accountability Systems Resource Guide. As of June 30, 2020, total assets for student and campus activity funds were $525,505.66.



Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the commitment and dedicated services of the Business Office staff and other members district-wide. We would like to express our appreciation for their contributions to its presentation. The Business Office would like to thank the following personnel for the time and effort given to the preparation of this report:

Administration
Dr. Nate Carman, Superintendent
Mrs. Victoria N. Perez, Interim Assistant Superintendent of Finance & Operations
Ms. Sara A. Alvarado, Assistant Superintendent of Academic Services
Dr. Andrea Cruz, Interim Assistant Superintendent of Administrative Services
Ms. Isabel C. Gonzalez, Director of Public Relations

Business and Finance
Ms. Monica Mata, Business Office Accountant
Mrs. Cynthia Cavazos, Accounting Specialist
Ms. Patty Portales, Administrative Assistant
Ms. Tom Hawkins, File Clerk
Mrs. Irma Corkill, Accounts Payable Clerk
Mrs. Edith Guerra, Accounts Payable Clerk
Ms. Veronica Martinez, Accounts Payable Clerk
Ms. Elizabeth Rodriguez, Accounts Payable Clerk

We would especially like to thank the District's Board of Trustees for their time, dedication and support to the District and its personnel and our independent auditor, Cascos & Associates, PC, for their role in providing professional guidance and assistance in the preparation of this report.

Respectfully Submitted,



Victoria N. Perez
Interim Asst. Supt. of Finance & Operations

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SAN BENITO, TEXAS
FOR THE YEAR ENDED JUNE 30, 2020

TRUSTEES

Orlando Lopez - President

Sonia Weaver - Vice-President

Janie G. Silva - Secretary

Rudy Corona

Janie Lopez

Anna Garza Llanes

Ramiro Moreno

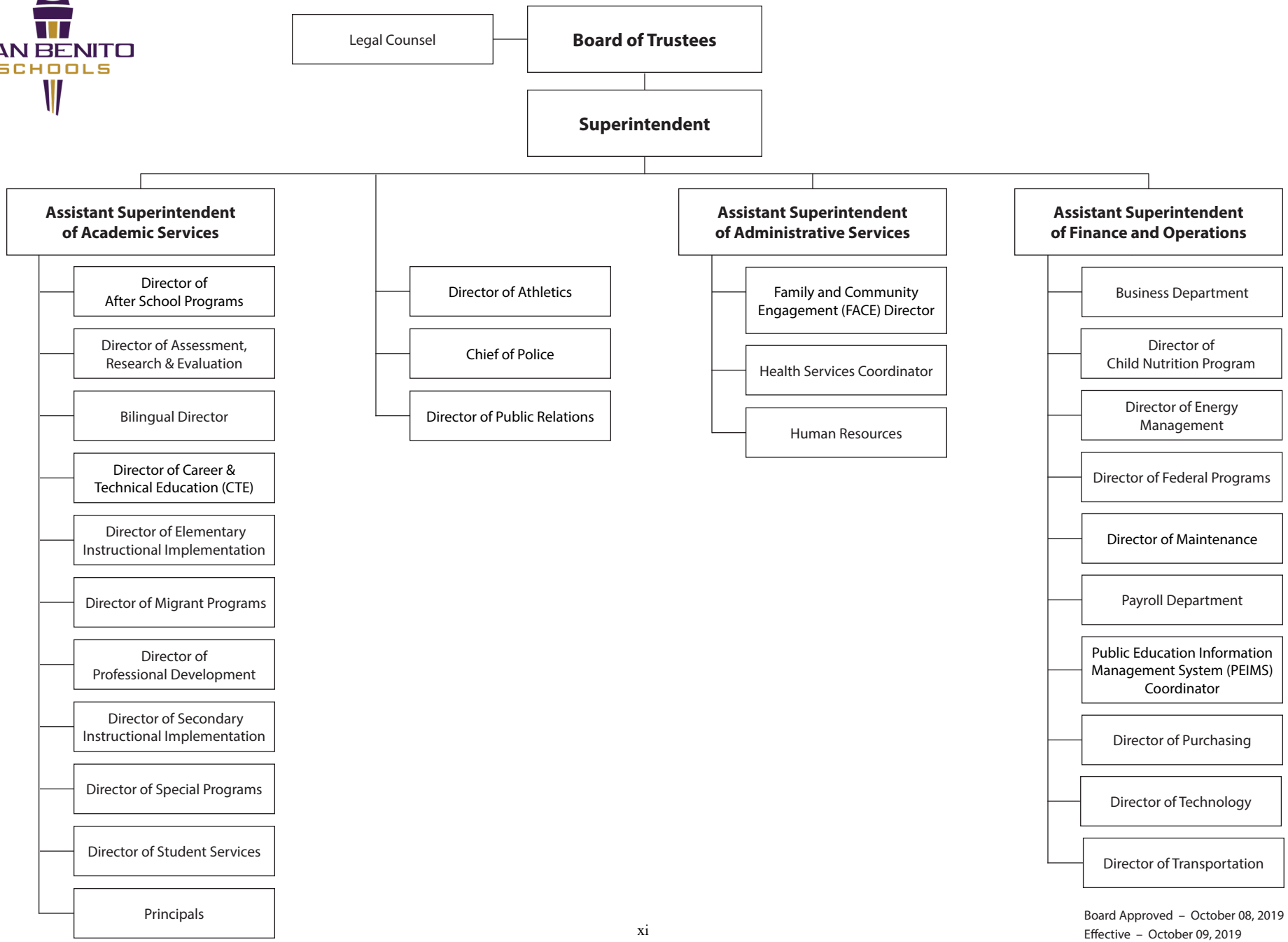
SUPERINTENDENT

Dr. Nate Carman

INTERIM ASSISTANT SUPERINTENDENT OF FINANCE AND OPERATIONS

Victoria N. Perez

San Benito Consolidated Independent School District
2019-2020 Organizational Chart



Board Approved – October 08, 2019
Effective – October 09, 2019

CERTIFICATE OF BOARD

San Benito Consolidated Independent School District	Cameron	031-912
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial report of the above-named school district were reviewed and (check one) ___✓___ approved _____ disapproved for the year ended June 30, 2020 at a meeting of the Board of Trustees of such school district on the 19th day of January 2021.

Signature of Board Secretary

Signature of Board President

Cascos & Associates, PC
Certified Public Accountants
Audit/Accounting/Tax/Consulting

INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
San Benito Consolidated Independent School District
San Benito, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of San Benito Consolidated Independent School District (the "District") as of and for the year ended June 30, 2020, 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

The District's 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Cascos & Associates, PC
Brownsville, Texas
January 19, 2021

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the San Benito Consolidated Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the twelve months ended June 30, 2020. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's total combined net position was $(37,769,037) at June 30, 2020.

- During the year, the District's expenses were $157,257,053. Revenues generated in taxes and other revenues for governmental activities were $111,596,939.
- The total cost of the District's programs increased by $15,535,685 from last year. The increase resulted from an overall increase in expenses mainly in function 71 and 81.
- The general fund reported a fund balance this year of $21,183,525 which was a significant decrease over the prior year due to district improvements, decrease in state funding which was supplanted in federal funds, and an overall decrease in reported ADA due to COVID-19.
- The District received a "B" rating for the Financial Integrity Reporting System of Texas (FIRST) for 2019, earning 88 of 100 points.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Section of this Comprehensive Annual Financial and Compliance Report consists of five parts: (1) *management's discussion and analysis* (this section), (2) the *basic financial statements,* (3) *required supplementary information,* and (4) *supplementary information, (5) other information,* which is the section that presents additional information required by the Texas Education Agency.

The Management's Discussion and Analysis section is intended to serve as an introduction to the District's Basic Financial Statements. The District's Basic Financial Statements comprise three components: (1) Government-Wide Financial Statements (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.

- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses.*
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. All of the District's services are reported in the government-wide financial statements, including instructional, instructional leadership, student support services, general administration, support services, and debt services. Property taxes, state foundation funds and grants finance most of these activities.

The *statement of net position* presents information on all of the District's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Net position is one way to measure the District's financial health or *position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To fully assess the overall health of the District; however, non-financial factors need to be considered as well, such as changes in the District's average daily attendance, its property tax base and the condition of the District's facilities.

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (governmental activities). All of the District's services are reported in the government-wide financial statements, including instructional leadership, student support services, general administration, support services and debt services.

New Accounting Standards Adopted

In fiscal year 2018, the District adopted new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, applies to financial reports of all state and local governmental entities, address accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements. The fund financial statements provide more detailed information about the District's most significant *funds – not* the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes to show that it is properly using taxes and grants.

The District has the following kinds of funds:

Governmental funds (1XX): Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

The District maintains 25 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, which are considered to be major funds. Data from the other governmental funds are combined in a single, aggregated presentation. The District adopts an annual appropriated budget for its General Fund and Debt Service Fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

Proprietary funds (753): Services for which the District charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The district utilizes internal service funds for self-funded health insurance.

Fiduciary funds (806 and 865): The District is the trustee, or *fiduciary*, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Required Supplementary Information relates to comparison of the original adopted budget, the final amended budget, and the actual results for the twelve months ended. This is required supplementary information for the general fund. Also included in RSI is the Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System, the Schedule of the District Contributions – Teacher Retirement System, the Schedule of the District's Proportionate Share of the Net OPEB Liability – Teacher Retirement System, and the Schedule of District's OPEB Contributions – Teacher Retirement System.

Supplementary Information

The Supplementary Information section contains information for the purpose of additional analysis and is not a required part of the basic financial statements. This section includes certain compliance schedules required by the Texas Education Agency.

Government-Wide Financial Analysis

Presented in Tables I and II below are summarized Statement of Net Position and Statement of Changes in Net Position for both current and prior-year data. Our analysis focuses on the current year and the comparison of prior-year amounts on the net position (Table I) and changes in net position (Table III) of the District's governmental activities.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the twelve months ended June 30, 2020, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by $(37,755,712).

Table I
Net Position Summary

	Governmental Activities	
	2020	2019
Current and other assets	$ 78,361,709	$ 82,003,217
Capital assets	87,587,182	96,029,850
Total assets	165,948,891	178,033,067
Deferred outflows	25,651,198	28,408,430
Other liabilities	15,964,094	17,746,900
Long-term liabilities	188,143,475	185,893,128
Total liabilities	204,107,569	203,640,028
Deferred inflows	25,261,557	17,432,848
Net investment in capital assets	(15,402,004)	25,886,245
Restricted	3,214,656	4,616,563
Unrestricted	(25,581,689)	(45,134,187)
Total net position	$ (37,769,037)	$ (14,631,379)

Net Position- Continued

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

Governmental Activities

The District's property tax rate remained at $1.3049 per $100 of taxable property value as compared to last year's rate.

The total cost of all programs and services was $157,257,053; 50% of these costs are for instructional and data processing services.

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

- The cost of all *governmental* activities this year was $157,257,053.
- However, the amount that our taxpayers paid for these activities through property taxes was only $15,167,437.
- The cost that was paid by those who directed benefited from the program was $1,639,164.
- The amount paid by operating grants and contributions was $24,738,191.

Table II
Net Cost of Selected District Functions

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	$ 76,623,000	$ 69,712,415	$ (67,434,068)	$ (69,712,415)
School leadership	7,764,163	6,738,738	(7,534,199)	(6,738,738)
Food services	10,540,822	9,159,323	(1,189,154)	(8,736,654)
Facilities maintenance and operations	19,781,268	17,696,883	(18,822,062)	(17,354,754)

Changes in Net Position

The Net Position of the District decreased by $(19,282,759) for the twelve months ended June 30, 2020. The total revenues from taxpayers, user service, grants and other sources for the District was $111,596,939, a decrease over fiscal year 2019 of $23,237,943. One of the revenue decreases was attributable to the drop in ADA accounted at the TEA level from prior year thus negatively affecting both state foundation funding and grants. Total expenses for the 2020 fiscal year were $157,257,053 or $15,535,685 more than the expenses for fiscal year 2019.

Table III
Changes in Net Position

	2020	2019
Program Revenues:		
Charges for services	$ 1,639,164	$ 1,796,748
Operating grants and contributions	24,738,191	-
General revenues:		
Property taxes	15,167,437	14,921,519
State and other grants	94,994,123	118,834,643
Investment earnings	1,004,038	1,066,826
Miscellaneous local intermediate	431,341	11,894
Total revenues	137,974,294	136,631,630
Program Expenses:		
Instruction	76,623,000	69,712,415
Instructional resources and media services	1,536,342	1,394,777
Curriculum and instructional staff development	2,875,184	2,571,377
Instructional leadership	3,472,816	3,524,917
School leadership	7,764,163	6,738,738
Guidance, counseling and evaluation services	4,687,561	3,683,097
Social work services	677,061	566,214
Health services	1,375,423	1,188,340
Student (pupil) transportation	6,676,535	3,888,694
Food services	10,540,822	9,159,323
Extracurricular activities	3,932,151	3,816,601
General administration	5,366,893	9,620,109
Facilities maintenance and operations	19,781,268	17,696,883
Security and monitoring services	3,245,523	2,550,846
Data processing services	2,346,689	2,239,105
Community services	856,269	786,092
Debt service	2,930,539	1,549,555
Other governmental charges	2,568,814	1,034,285
Total expenses	157,257,053	141,721,368
Increase (decrease) in net position	(19,282,759)	(5,089,738)
Beginning net position	(14,631,379)	(10,312,684)
Restatement (Multiple adjustments)	(3,854,899)	771,043
Ending net position	$(37,769,037)	$(14,631,379)

Changes in Net Position- Continued

The District's total revenues were $111,596,939. A significant portion, 88%, of the District's revenue comes from state aid – formula grants and operating grants compared to 11.1% from local taxes.

The Net Position of the District decreased by $(19,282,759) for the twelve months ended June 30, 2020, which was directly attributable to both the increase in expenses and major decrease in state revenues due to the average daily attendance reduced to account for COVID-19.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements, bond covenants, and segregation for particular purposes. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of June 30, 2020, the District's governmental funds reported a combined ending fund balance of $56,677,410, a decrease of $6,396,959 from last year. Of the total fund balance, 21,183,525 is for general fund and of that, $16,929,345 constitutes unassigned fund balance. The remainder of fund balance is non-spendable, restricted, committed or assigned for particular purposes as follows:

Table IV
Governmental Funds – Fund Balances

Nonspendable	
Inventories	$ 749,260
Prepayments	290,264
Restricted	
Grant funds	3,214,656
Retirement of Long-term Debt	(295,382)
Unassigned	
Unassigned	52,718,612
	$ 56,577,410

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the District had invested $227,204,037 in a broad range of capital assets, including land, equipment, buildings, and vehicles. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Assets- Continued

Table V
Capital Assets

	Governmental Activities (In thousands of dollars)	
	2020	2019
Land	$ 6,775	$ 6,775
Construction in Progress	4,062	0
Buildings and improvements	189,559	187,977
Furniture and equipment	15,020	13,811
Vehicles	8,868	9,386
Capital Leases	2,920	2,920
Total assets at historical cost	227,204	220,869
Accumulated depreciation	(139,617)	(124,840)
Net capital assets	$ 87,587	$ 96,029

Long-term Debt

The District had $188,143,475 in bonds, related premiums/discounts and other long-term liabilities as shown in Table VI. More detailed information about the District's debt is presented in the notes to the financial statements.

Bond Ratings

The District's bonds presently carry "A" ratings assigned by Standard & Poor Ratings.

Table VI
Long-term Debt

	Governmental Activities (In thousands of dollars)	
	2020	2019
Bonds payable	$ 96,620	$ 92,275
Premiums	7,200	7,673
Capital Lease Payable	2,457	3,045
Compensated absences	6,738	2,650
Net pension liability	32,195	34,810
Net OPEB liability	42,933	45,440
Totals	$ 188,143	$ 185,893

Net Pension Liability

The District reports net pension liabilities, deferred inflows of resources and deferred outflows of resources and the recognition of pension expense in accordance with the provisions of GASB Statement No. 68. The amounts recorded by the District for the current school year for net pension liability increased while the deferred inflows of resources related to TRS and deferred outflows of resources related to TRS decreased over the amounts reported at the end of the prior school year. See Note I to the financial statements for additional information on these changes and pension related balances at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised property value used for the 2020 budget preparation was $1,675,764,591 which is comparable to last year's value.
- General operating fund for 2020 will retain the current fund balance while improving academic and facilities services.

These indicators were taken into account when adopting the general fund budget for 2020. The district adopted a balanced budget for 2019-2020 on June 27, 2019.

The District committed to evaluate financial, operational, and curriculum programs in the 2015-2016 school year. Re-Imagine 2021, a 5-year Strategic Plan, was approved by the board in July 2016 that will guide the district forward for the next 5 years. An Efficiency Audit conducted by Texas Association of School Business Officials was approved in June 2016 to strengthen the Financial and Operations functions of SBCISD. The recommendations from the Efficiency Audit were implemented during the 2017-2018 school year. During the 2016-2017 school year, the Texas Association of School Boards conducted a salary compensation study to evaluate employee pay equity and salary comparisons in our market and began to implement their recommendations. Additionally, during the 2017-2018 school year the Texas Association of School Boards conducted a staffing study to evaluate the adequate staff in all departments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office at 240 N. Crockett Street, San Benito, Texas 78586.

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

Data Control Codes		Primary Government: Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 60,409,091
1210	Property Taxes - Current	1,780,152
1220	Property Taxes - Delinquent	1,289,076
1230	Allowance for Uncollectible Taxes	(320,248)
1240	Due from Other Governments	12,494,367
1267	Due from Fiduciary Funds	1,364,927
1290	Other Receivables, Net	304,820
1300	Inventories	749,260
1410	Prepayments	290,264
	Capital Assets:	
1510	Land	6,775,048
1520	Buildings, Net	68,288,960
1530	Furniture and Equipment, Net	5,333,869
1540	Other Capital Assets, Net	3,126,838
1580	Construction in Progress	4,062,467
1000	Total Assets	165,948,891
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	3,287,796
1705	Deferred Outflow Related to TRS Pension	15,486,276
1706	Deferred Outflow Related to TRS OPEB	6,877,126
1700	Total Deferred Outflows of Resources	25,651,198
LIABILITIES		
2110	Accounts Payable	560,543
2150	Payroll Deductions and Withholdings	77
2160	Accrued Wages Payable	6,466,474
2177	Due to Fiduciary Funds	1,329,584
2180	Due to Other Governments	7,433,399
2190	Due to Student Groups	14
2200	Accrued Expenses	110
2300	Unearned Revenue	173,893
	Noncurrent Liabilities:	
2501	Due Within One Year	4,749,961
2502	Due in More Than One Year	108,265,155
2540	Net Pension Liability (District's Share)	32,194,967
2545	Net OPEB Liability (District's Share)	42,933,392
2000	Total Liabilities	204,107,569
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	6,565,977
2606	Deferred Inflow Related to TRS OPEB	18,695,580
2600	Total Deferred Inflows of Resources	25,261,557
NET POSITION		
3200	Net Investment in Capital Assets	(15,402,004)
3820	Restricted for Federal and State Programs	3,214,656
3900	Unrestricted	(25,581,689)
3000	Total Net Position	$ (37,769,037)

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

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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	$ 76,623,000	$ -	$ 9,188,932	$ (67,434,068)
12	Instructional Resources and Media Services	1,536,342	-	14,871	(1,521,471)
13	Curriculum and Instructional Staff Development	2,875,184	-	1,229,230	(1,645,954)
21	Instructional Leadership	3,472,816	-	1,501,205	(1,971,611)
23	School Leadership	7,764,163	-	229,964	(7,534,199)
31	Guidance, Counseling, and Evaluation Services	4,687,561	-	844,121	(3,843,440)
32	Social Work Services	677,061	-	164,660	(512,401)
33	Health Services	1,375,423	-	69,489	(1,305,934)
34	Student (Pupil) Transportation	6,676,535	5,258	85,405	(6,585,872)
35	Food Services	10,540,822	397,660	8,954,008	(1,189,154)
36	Extracurricular Activities	3,932,151	633,965	533,227	(2,764,959)
41	General Administration	5,366,893	98,865	81,968	(5,186,060)
51	Facilities Maintenance and Operations	19,781,268	503,416	455,790	(18,822,062)
52	Security and Monitoring Services	3,245,523	-	311,579	(2,933,944)
53	Data Processing Services	2,346,689	-	24,257	(2,322,432)
61	Community Services	856,269	-	667,695	(188,574)
72	Debt Service - Interest on Long-Term Debt	2,925,839	-	-	(2,925,839)
73	Debt Service - Bond Issuance Cost and Fees	4,700	-	-	(4,700)
81	Capital Outlay	2,001,365	-	-	(2,001,365)
93	Payments Related to Shared Services Arrangements	381,790	-	381,790	-
99	Other Intergovernmental Charges	185,659	-	-	(185,659)
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 157,257,053	$ 1,639,164	$ 24,738,191	(130,879,698)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	13,599,430
DT	Property Taxes, Levied for Debt Service	1,568,007
SF	State Aid - Formula Grants	79,161,182
GC	Grants and Contributions not Restricted	15,832,941
IE	Investment Earnings	1,004,038
MI	Miscellaneous Local and Intermediate Revenue	431,341
TR	Total General Revenues	111,596,939
CN	Change in Net Position	(19,282,759)
NB	Net Position - Beginning	(14,631,379)
PA	Prior Period Adjustment	(3,854,899)
NE	Net Position - Ending	$ (37,769,037)

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

EXHIBIT C-1

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 18,968,561	$ 36,416,319	$ 1,551,270	$ 56,936,150
1210	Property Taxes - Current	1,596,121	-	184,031	1,780,152
1220	Property Taxes - Delinquent	1,155,812	-	133,264	1,289,076
1230	Allowance for Uncollectible Taxes	(287,141)	-	(33,107)	(320,248)
1240	Due from Other Governments	8,876,894	-	3,617,473	12,494,367
1260	Due from Other Funds	12,936,349	7,328	216,972	13,160,649
1290	Other Receivables	321,976	(17,719)	563	304,820
1300	Inventories	749,260	-	-	749,260
1410	Prepayments	290,264	-	-	290,264
1000	Total Assets	$ 44,608,096	$ 36,405,928	$ 5,670,466	$ 86,684,490
	LIABILITIES				
2110	Accounts Payable	$ 11,524	$ 539,859	$ 9,160	$ 560,543
2150	Payroll Deductions and Withholdings Payable	-	-	77	77
2160	Accrued Wages Payable	5,958,273	-	508,201	6,466,474
2170	Due to Other Funds	7,468,020	300,000	4,855,570	12,623,590
2180	Due to Other Governments	7,433,153	-	246	7,433,399
2190	Due to Student Groups	14	-	-	14
2200	Accrued Expenditures	110	-	-	110
2300	Unearned Revenue	88,685	-	85,208	173,893
2000	Total Liabilities	20,959,779	839,859	5,458,462	27,258,100
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	2,464,792	-	284,188	2,748,980
2600	Total Deferred Inflows of Resources	2,464,792	-	284,188	2,748,980
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	749,260	-	-	749,260
3430	Prepaid Items	290,264	-	-	290,264
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	3,214,656	-	-	3,214,656
3480	Retirement of Long-Term Debt	-	-	(295,382)	(295,382)
3600	Unassigned Fund Balance	16,929,345	35,566,069	223,198	52,718,612
3000	Total Fund Balances	21,183,525	35,566,069	(72,184)	56,677,410
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 44,608,096	$ 36,405,928	$ 5,670,466	$ 86,684,490

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

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT C-2

	Total Fund Balances - Governmental Funds	$	56,677,410
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.		2,971,225
2	Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was $220,869,402 and the accumulated depreciation was ($89,254792). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. Note: Beginning Balances related to TRS are not included in this amount.		(5,702,222)
3	Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2019 capital outlays and debt principal payments is to increase net position.		3,152,997
4	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of $15,486,276 a deferred resource inflow in the amount of $6,565,977, and a net position liability in the amount of $32,194,967. This resulted in a decrease in net position.		(23,274,668)
5	Included in the items related to debt is the recognition of the District's proportionate share of the Net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of $6,877,126, a deferred resource inflow in the amount of $18,695,580 and a net OPEB liability in the amount of $42,933,392. This resulted in a decrease in net position.		(54,751,846)
6	The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. Additional depreciation for the 2019 year was added due to prior year not including amount.		(15,503,052)
7	Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(1,338,881)
19	**Net Position of Governmental Activities**	$	(37,769,037)

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

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT EXHIBIT C-3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 14,126,361	$ 505,788	$ 3,262,144	$ 17,894,293
5800	State Program Revenues	84,279,288	-	4,226,404	88,505,692
5900	Federal Program Revenues	11,818,488	-	14,081,872	25,900,360
5020	Total Revenues	110,224,137	505,788	21,570,420	132,300,345
	EXPENDITURES:				
	Current:				
0011	Instruction	58,525,105	-	9,188,730	67,713,835
0012	Instructional Resources and Media Services	1,355,835	-	14,871	1,370,706
0013	Curriculum and Instructional Staff Development	1,440,784	-	1,229,230	2,670,014
0021	Instructional Leadership	1,520,072	-	1,501,205	3,021,277
0023	School Leadership	6,279,988	-	229,964	6,509,952
0031	Guidance, Counseling, and Evaluation Services	3,234,332	-	844,121	4,078,453
0032	Social Work Services	432,516	-	164,660	597,176
0033	Health Services	1,138,619	-	69,489	1,208,108
0034	Student (Pupil) Transportation	3,085,534	-	85,405	3,170,939
0035	Food Services	9,178,173	-	291,135	9,469,308
0036	Extracurricular Activities	3,231,913	-	312,531	3,544,444
0041	General Administration	4,785,148	-	81,968	4,867,116
0051	Facilities Maintenance and Operations	17,220,175	-	455,790	17,675,965
0052	Security and Monitoring Services	2,488,710	-	311,579	2,800,289
0053	Data Processing Services	1,656,493	-	24,257	1,680,750
0061	Community Services	88,916	-	667,695	756,611
	Debt Service:				
0071	Principal on Long-Term Debt	662,230	-	4,050,677	4,712,907
0072	Interest on Long-Term Debt	46,937	-	3,820,293	3,867,230
0073	Bond Issuance Cost and Fees	3,250	-	1,450	4,700
	Capital Outlay:				
0081	Facilities Acquisition and Construction	2,781,578	4,836,482	-	7,618,060
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	381,790	381,790
0099	Other Intergovernmental Charges	185,659	-	-	185,659
6030	Total Expenditures	119,341,967	4,836,482	23,726,840	147,905,289
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,117,830)	(4,330,694)	(2,156,420)	(15,604,944)
	OTHER FINANCING SOURCES (USES):				
7911	Capital Related Debt Issued	1,283,747	9,250,000	-	10,533,747
7912	Sale of Real and Personal Property	184,000	-	-	184,000
7914	Non-Current Loans	-	-	269,748	269,748
7915	Transfers In	-	-	1,097,604	1,097,604
7949	Other Resources	510,629	-	-	510,629
8911	Transfers Out (Use)	(2,651,100)	-	-	(2,651,100)
7080	Total Other Financing Sources (Uses)	(672,724)	9,250,000	1,367,352	9,944,628
1200	Net Change in Fund Balances	(9,790,554)	4,919,306	(789,068)	(5,660,316)
0100	Fund Balance - September 1 (Beginning)	31,582,838	30,646,763	844,768	63,074,369
1300	Increase (Decrease) in Fund Balance	(608,759)	-	(127,884)	(736,643)
3000	Fund Balance - August 31 (Ending)	$ 21,183,525	$ 35,566,069	$ (72,184)	$ 56,677,410

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

Total Net Change in Fund Balances - Governmental Funds	$	(5,660,316)
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 decrease net position.		(36,356)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2019 capital outlays and debt principal payments is to increase net position.		3,464,681
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.		(8,281,412)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(3,928,316)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $2,085,078. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling $1,728,003. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by $4,378,740. The net result is a decrease in the change in net position.		(4,021,665)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change ending net position to increase by $511,330. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling $562,498. Finally, the proportionate share of the TRS OPEB expense on the plan as whole had to be recorde. The net OPEB expense decreased the change in net position by $768,207. The net result is a decrease in the change in net position.		(819,375)
Change in Net Position of Governmental Activities	$	(19,282,759)

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

EXHIBIT D-1

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 3,472,941
Due from Other Funds	4,494,503
Total Assets	7,967,444
LIABILITIES	
Current Liabilities:	
Due to Other Funds	4,996,219
Total Liabilities	4,996,219
NET POSITION	
Unrestricted Net Position	2,971,225
Total Net Position	$ 2,971,225

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

EXHIBIT D-2

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	$ 10,471,311
Total Operating Revenues	10,471,311
OPERATING EXPENSES:	
Professional and Contracted Services	10,488,397
Supplies and Materials	301
Other Operating Costs	18,969
Total Operating Expenses	10,507,667
Operating Income (Loss)	(36,356)
Total Net Position - September 1 (Beginning)	(1,407,487)
Prior Period Adjustment	4,415,068
Total Net Position - August 31 (Ending)	$ 2,971,225

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

EXHIBIT D-3

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Net Increase in Cash and Cash Equivalents	3,046,065
Cash and Cash Equivalents at Beginning of Year	426,876
Cash and Cash Equivalents at End of Year	$ 3,472,941
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss):	$ (36,356)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(2,864,051)
Increase (decrease) in Accounts Payable	5,946,472
Net Cash Provided by Operating Activities	$ 3,046,065

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

EXHIBIT E-1

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 109,719	$ 406,512
Due from Other Funds	3,297	180
Total Assets	113,016	$ 406,692
LIABILITIES		
Due to Other Funds	277	38,543
Due to Student Groups	105,945	357,631
Unearned Revenues	6,102	-
Total Liabilities	112,324	396,174
NET POSITION		
Unrestricted Net Position	686	(6,859)
Total Net Position	$ 686	$ (6,859)

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Benito Consolidated School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in **GASB Statement No. 76**, and it complies with the requirements of the appropriate version of Texas Education Agency's ***Financial Accountability System Resource Guide*** (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

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

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

The District applies Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The District's investments are accounted for using the cost amortization method for Lone Star, Frost Bank, Texas Class, and TD Ameritrade investments.

A. REPORTING ENTITY

The Board of Trustees includes seven eligible members elected at large by the qualified voters of the San Benito Consolidated Independent School District. The governing Board derives its powers from the statutes of the State of Texas and the rules and regulations of the Texas State Department of Education. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board ("GASB").

For financial reporting purposes, the District Public Facility Corporation ("PFC") is included in the operations and activities of the District because of the fiscal dependency criteria whereby the PFC serves the District exclusively.

The PFC a blended component unit, was organized to finance the construction of a new multi-purpose stadium for the District. The PFC is governed by a Board of Directors composed of the San Benito Consolidated Independent School District Board of Trustees. The PFC is blended as part of the governmental activities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues.

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

Interfund activities between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

Unearned revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the government has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net assets, and unrestricted net assets.

Agency Funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. BASIS OF PRESENTATION – FUND ACCOUNTING

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

The District reports the following major governmental funds:

1. ***General Fund*** - is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds, are accounted for in this fund.

2. ***Capital Projects Fund*** – is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and related capital asset acquisitions.

Additionally, the District reports the following fund type(s):

Governmental Funds:

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

2. ***Debt Service Fund*** - is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Proprietary Funds:

1. ***Internal Service Funds*** - are used to account for revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund.

Fiduciary funds:

1. ***Private Purpose Trust Funds*** – are used to account for donations for which the donor stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Funds include the General Scholarship Fund, the Fallingant Trust and Montemayor Memorial Trust Fund.

2. ***Agency Funds*** – are used to account for resources held for others in a custodial capacity.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. OTHER ACCOUNTING POLICIES

2. Investments consist largely of money market funds and government investment pools. The District's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. Investments having a maturity of three months or less are reported as cash and cash equivalents.

   The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*. Money market investment which are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances and U.S. Treasury and agency obligations are reported at fair value.

3. Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance and food service items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

4. In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

   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.

5. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental activities' columns in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. OTHER ACCOUNTING POLICIES

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings, furniture and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	30
Buildings	52
Buildings improvements	20
Vehicles	2-15
Furniture and equipment	2-15

6. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

   In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

8. The governmental fund financial statements present fund balances 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. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

   - 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. OTHER ACCOUNTING POLICIES

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution by the Board. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting.

  Board commitments cannot exceed the amount of fund balance that is greater than the sum of non-spendable and restricted fund balances since that practice would commit funds that the District does not have. Board commitments must occur before the end of the reporting period with amounts to be determined subsequently.

- 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, the Superintendent, or Superintendent's designee.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The order of spending and availability shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned.

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

10. The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year, 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.

11. Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, 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.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

Capital Assets and Other Assets at the Beginning of Year	Historic Cost	Accumulated Depreciation	Net Value at the Beginning of Year	Change in Net Position
Land	$ 6,775,058	$ -	$ 6,775,058	
Building & Improvements	187,976,783	(108,044,372)	79,932,411	
Furniture & Equipment	13,810,739	(9,857,991)	3,952,748	
Vehicles	9,386,410	(6,937,189)	2,449,221	
Capital Leases	2,920,412	-	2,920,412	
Deferred Charge on Refunding			3,911,164	
Change in Net Position				$ 99,941,014

Long-Term Liabilities at the Beginning of Year	Payables at the Beginning of Year	
Bonds Payable	$ (92,275,000)	
Capital Leases	(3,044,784)	
Compensated Absences	(2,650,273)	
Unamortized Premiums (Discounts)	(7,673,179)	
Change in Net Position		$ (105,643,236)

Net Adjustment to Net Position	$ (5,702,222)

B. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net position. The details of this adjustment are as follows:

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Current Year Capital Outlay & Deferred Expense	Amount	Adjustments to Changes in Net Position	Adjustments to Net Position
Land			
Construction in Progress	$ 4,062,467	$ 4,062,467	
Building & Improvements	1,581,833	1,581,833	
Furniture & Equipment	1,209,668	1,209,668	
Vehicles	206,426	206,426	
Deferred Charge on Refunding	(311,694)	(311,694)	
Total Capital Outlay			$ 6,748,700
Debt Principal Payments & Issuance			
Bonds Payable	$ 4,125,000	$ 4,125,000	
Capital Leases	587,906	587,906	
Premiums (Discounts)	1,253,075	1,253,075	
Bond Issuance	(9,250,000)	(9,250,000)	
Total Principal Payments			$ (3,284,019)
Net Adjustment to Net Position			$ 3,464,681

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

The official budget was prepared for adoption for the required Governmental Fund types. The General Fund, Child Nutrition Fund and Debt Service Fund Budget reports appear in Exhibits G-1, J-2, J-3 respectively. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 26th the District prepares a budget for the next succeeding fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the Board is then called for the purpose of adopting the proposed budget. Public notice of the meeting must be given at least ten days prior to the meeting.

3. Prior to July 1st, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, the budget was amended as necessary.

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30st, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The District had no outstanding end-of-year encumbrances.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2020, expenditures exceeded appropriations in the following functions as noted:

General Function	Amount
31 Guidance, Counseling and Evaluation Services	$ 12,945
72 Interest on Long-Term Debt	46,937
73 Bond Issuance Cost and Fees	3,250

C. DEFICIT FUND EQUITY

At June 30, 2020, the Debt Service Fund had a deficit fund balance of $295,382 respectively. The District will be looking on making plan design changes to reduce costs, increase funding through a combination of employee/employer contributions and an infusion of funds. The District is and will continue monitoring its progress to ensure it maintains an acceptable or positive balance or complete elimination of this deficit.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. DEPOSITS AND INVESTMENTS

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

At June 30, 2020, the carrying amount of the District's deposits (cash, and interest-bearing savings accounts), excluding agency funds was $3,521,864 and the bank balance was $3,664,372. The District's cash deposits at June 30, 2020 and the year ended were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

District Policies and Legal Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial risk for deposits.

Foreign Currency Risk for Deposits – The District limits the risk that changes in exchange rates will adversely affect the fair value of a deposit. At year-end, the District was not exposed to foreign currency risk.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. DEPOSITS AND INVESTMENTS

District Policies and Legal Contractual Provisions Governing 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 the District's temporary investments at June 30, 2020 are shown below:

		Investment Maturities (in years)			
Type of Deposit	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
Cash	$ 76,429	$ -	$ -	$ -	$ -
Investment Pools:					
Lone Star Investment	29,335,114	29,335,114	-	-	-
Frost Investment	2,029,226	2,029,226	-	-	-
Texas Class	4,512,318	4,512,318	-	-	-
TD Ameritrade	24,972,235	24,972,235	-	-	-
Total Investment Pools	$ 60,848,893	$ 60,848,893	$ -	$ -	$ -
Total Cash and Cash Equivalents	$ 60,925,322				

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Lone Star, Frost Safekeeping, Texas Class, TD Ameritrade Safekeeping each have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Credit Risk – The District's investment policy allows for investments in commercial paper provided that it meets the following criteria:
Commercial paper that has a stated maturity of 270 days or fewer from the date of issuance is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or by one nationally recognized credit rating agency provided the commercial paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under U.S. law or the law of any state. The District's local policy allows commercial paper with government investment pools.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. DEPOSITS AND INVESTMENTS

Custodial Risk for 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. The District's investment policy addresses custodial credit risk by requiring diversification in terms of investment instruments, maturity scheduling, and financial institutions.

Concentration of Credit Risk – The investment portfolio is diversified in terms of investment instruments and maturity scheduling to reduce risk of loss resulting from over concentration of assets in specific class of investments, specific maturity or specific issuer.

As of June 30, 2020, the following was the composite of the District's investment portfolio:

Lone Star Investment	48%
Frost Investment	3%
Texas Class	7%
TD Ameritrade	41%
Total	100%

Interest Rate Risk – The risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District's investment policy does not allow the purchase of investments that would expose the District to interest-rate risk.

Foreign Currency Risk for Investments – The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

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

B. PROPERTY TAXES

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

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2019 tax rate was $1.17 for maintenance and $0.1349 for debt service for a total of $1.3049 per $100 assessed valuation. The 2019 assessed valuation was $1,190,253,719. Allowances for Uncollectible Taxes within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. At June 30, 2020, property taxes receivable were $2,751,933 and $317,295, net estimated uncollectible taxes of $287,141 and $33,107, total $2,464792 and $284,141 for the General and Debt Service Funds, respectively.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

C. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund balances:

	Due From Other Funds	Due To Other Funds
General Fund		
General Fund	$ 2,841	$ (1,498,533)
Special Revenue Funds	3,519,165	(145,782)
Debt Service Fund	1,110,280	(52,248)
Capital Projects Fund	300,000	-
Trust and Agency Funds	1,695,783	315,505
Internal Service Funds	4,993,177	(732,401)
Total General Fund	11,621,246	(2,113,459)
Special Revenue Funds		
General Fund	159,829	(2,015,208)
Special Revenue Funds	4,895	(13,651)
Internal Service Funds	-	(64,015)
Trust and Agency Funds	-	(1,645,089)
Total Special Revenue Funds	164,724	(3,737,963)
Debt Service Funds		
General Fund	52,248	(1,110,280)
Capital Projects Fund	-	(7,328)
Total Debt Service Funds	52,248	(1,117,608)
Capital Projects Funds		
General Fund	-	(300,000)
Debt Service Fund	7,328	-
Total Capital Projects Funds	7,328	(300,000)
Internal Service Funds		
General Fund	732,671	(4,993,175)
Special Revenue Funds	64,015	-
Trust and Agency Funds	3,697,817	(3,043)
Total Internal Service Funds	4,494,503	(4,996,218)
Trust and Agency Funds		
General Fund	(329,552)	(5,393,381)
Internal Service Funds	3,043	-
Special Revenue Funds	1,645,089	-
Total Trust and Agency Funds	1,318,580	(5,393,381)
Totals	$ 17,658,629	$ (17,658,629)

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

D. 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 and Per Capita Programs. Amounts due from and to federal and state governments as of June 30, 2020, are disaggregated below:

Fund	State Entitlements	Federal Grants	Other	Total
General	$ 8,756,052	$ 120,842	$ -	$ 8,876,894
Special Revenue	285,576	3,238,866	93,026	3,617,468
Total	$ 9,041,628	$ 3,359,708	$ 93,026	$ 12,494,362

E. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2020, was as follows:

		Changes During Year			
Governmental activities:	Balance 7/1/2019	Additions	Retirements	Reclassifications/ Adjustments	Balance 6/30/2020
Capital assets not being depreciated					
Land	$ 6,775,058	$ -	$ (10)	$ -	$ 6,775,048
Construction in progress (CIP)	-	4,062,467	-	-	4,062,467
Total capital assets not being depreciated	6,775,058	4,062,467	(10)	-	10,837,515
Capital assets being depreciated					
Buildings & improvements	187,976,783	1,581,833	-	-	189,558,616
Furniture & equipment	13,810,739	1,209,668	-	-	15,020,407
Vehicles	9,386,410	206,426	(725,749)	-	8,867,087
Capital Lease	2,920,412	-	-	-	2,920,412
Total capital assets being depreciated	214,094,344	2,997,927	(725,749)	-	216,366,522
Less accumulated depreciation:					
Buildings & improvements	(108,044,372)	(6,769,813)	-	(6,455,471)	(121,269,656)
Furniture & equipment	(9,857,991)	(926,363)	-	(422,667)	(11,207,021)
Vehicles	(6,937,189)	(585,236)	725,749	(343,502)	(7,140,178)
Total accumulated depreciation	(124,839,552)	(8,281,412)	725,749	(7,221,640)	(139,616,855)
Total capital assets being depreciation	89,254,792	(5,283,485)	(1,451,498)	7,221,640	76,749,667
Governmental activities capital assets, net	$ 96,029,850	$ (1,221,018)	$ (1,451,508)	$ 7,221,640	$ 87,587,182

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

E. CAPITAL ASSET ACTIVITY

Depreciation expense was charged to governmental functions as follows:

Instruction	$	1,138,272
Health Services		45,046
Student (Pupil) Transportation		3,048,532
Food Services		1,147,838
Extracurricular Activities		94,552
General Administration		40,593
Facilities Maintenance and Operations		1,574,413
Security and Monitoring Services		231,017
Data Processing Services		555,884
Facilities Acquisition and Construction		405,265
Total Depreciation Expense	$	8,281,412

F. LONG-TERM OBLIGATIONS

Bonds Payable

Bonded indebtedness of the District is reflected in the Long-Term Debt, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The bonds are guaranteed by the Permanent School Fund of the Star of Texas in accordance with Article 7, Section 5 of the Texas Constitution, and Subchapter C of Chapter 45 of the Texas Education Code.

In February 2019, the District issued $27,790,000 Unlimited Tax School Building Bonds, Series 2019. The bonds are current interest bonds with interest ranging from 2% to 5% on installment payments ranging from $65,000 to $1,825,000 maturing in 2049. The bonds were issued to purchase District buildings.

In February 2020, the District issued $8,470,000 Unlimited Tax School Building Bonds, Series 2020. The bonds are current interest bonds with interest ranging from 3% to 5% on installment payments ranging from $100,000 to $455,000 maturing in 2040. The bonds were issued to purchase District buildings.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

F. LONG-TERM OBLIGATIONS

A summary of changes in bonds payable for the year ended June 30, 2020 is as follows:

Description	Interest Rate	Original Issue Amount	Interest Current Year	Balance 7/1/2019	Issued	Principal Retired	Balance 6/30/2020	Due Within One Year
Bonds Payable								
G.O. Bonds - Unlimited Tax School/ Series 2011 Refunding Bonds	2.00% - 3.50%	$ 8,470,000	$ 212,750	$ 6,245,000	$ -	$ (1,165,000)	$ 5,080,000	$ 1,205,000
G.O. Bonds - Unlimited Tax School/ Series 2012 Refunding Building Bonds	2.00% - 5.00%	20,355,000	697,632	19,345,000	-	(95,000)	19,250,000	100,000
G.O. Bonds - Unlimited Tax School/ Series 2014 Refunding Bonds	2.00% - 5.00%	15,790,000	465,000	9,300,000	-	(1,365,000)	7,935,000	1,430,000
G.O. Bonds - Unlimited Tax School/ Series 2016 Refunding Building Bonds	2.00% - 5.00%	30,580,000	1,184,000	27,470,000	-	(925,000)	26,545,000	970,000
G.O. Bonds - Unlimited Tax School/ Series 2019 Building Bonds	2.00% - 5.00%	27,790,000	1,181,841	27,790,000	-	(310,000)	27,480,000	65,000
G.O. Bonds - Unlimited Tax School/ Series 2020 Building Bonds	3.00% - 5.00%	8,470,000	-	-	8,470,000	-	8,470,000	100,000
Lease Revenue Bonds Payable								
Lease Revenue Bonds Payable 2006	4.01% - 4.68%	3,275,000	-	2,125,000	-	(265,000)	1,860,000	275,000
Totals			$ 3,741,223	$ 92,275,000	$ 8,470,000	$ (4,125,000)	$ 96,620,000	$ 4,145,000

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

Year Ended June 30,	Bonds Payable Principal	Bonds Payable Interest	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Total Requirements Principal	Total Requirements Interest
2021	$ 3,870,000	$ 3,966,088	$ 275,000	$ 22,803	$ 4,145,000	$ 3,988,891
2022	4,045,000	3,814,508	290,000	19,432	4,335,000	3,833,940
2023	4,215,000	3,632,506	305,000	15,876	4,520,000	3,648,382
2024	4,420,000	3,438,932	315,000	12,137	4,735,000	3,451,069
2025	4,700,000	3,243,432	330,000	8,275	5,030,000	3,251,707
2026-2030	20,605,000	13,348,234	345,000	4,430	20,950,000	13,352,664
2031-2035	22,885,000	8,851,640	-	-	22,885,000	8,851,640
2036-2040	13,580,000	4,909,750	-	-	13,580,000	4,909,750
2041-2045	9,555,000	2,623,000	-	-	9,555,000	2,623,000
2046-2050	6,885,000	701,500	-	-	6,885,000	701,500
Total	$ 94,760,000	$ 48,529,590	$ 1,860,000	$ 82,953	$ 96,620,000	$ 48,612,543

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

F. LONG-TERM OBLIGATIONS

Capital Leases

In June 2020, the District entered into a capital lease agreement with Frost Bank for the LED project. The installment payments are of $269,748 with an interest rate of 3.53% maturing in 2029.

A summary of changes in capital leases for the year ended June 30, 2020 is as follows:

Description	Interest Rate	Original Issue Amount	Interest Current Year	Balance 7/1/2019	Issued	Principal Retired	Balance 6/30/2020	Due Within One Year
Santander Bank	2.60%	$ 1,672,616	$ 20,924	$ 804,784	$ -	$ (397,230)	$ 407,554	$ 407,554
Frost Bank	3.53%	2,240,000	79,072	2,240,000	-	(190,676)	2,049,324	197,407
Totals			$ 99,996	$ 3,044,784	$ -	$ (587,906)	$ 2,456,878	$ 604,961

Annual debt service requirements to maturity for capital leases are as follows:

Year Ended June 30,	Capital Leases Principal	Capital Leases Interest	Total Required
2021	$ 604,961	$ 82,941	$ 687,902
2022	204,375	65,373	269,748
2023	211,590	58,158	269,748
2024	219,059	50,689	269,748
2025	226,792	42,956	269,748
2026-2030	990,101	88,891	1,078,992
Total	$ 2,456,878	$ 389,008	$ 2,845,886

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

Description	Balance 07/01/19	Issued	Retired	Balance 06/30/20	Due Within One Year
Bonds Payable	$ 92,275,000	$ 8,470,000	$ (4,125,000)	$ 96,620,000	$ 4,145,000
Premium (Discount) on Bonds	7,673,179	780,000	(1,253,075)	7,200,104	-
Capital Leases	3,044,784	-	(587,906)	2,456,878	604,961
Compensated Absences	2,650,273	4,087,861	-	6,738,134	-
Net Pension Liability	34,810,438	(447,724)	(2,167,747)	32,194,967	-
Net OPEB Liability	45,439,454	(1,861,739)	(644,323)	42,933,392	-
Totals	$ 185,893,128	$ 11,028,398	$ (8,778,051)	$ 188,143,475	$ 4,749,961

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

G. SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT PUBLIC FACILITY COPORATION

The Public Facility Corporation is a public non-profit corporation, the creation of which was sponsored by the District pursuant to the Public Facility Corporation Act, Article 717s, Vernon's Texas Civil Statutes, as amended (the "Public Facility Corporation Act"). The Public Facility Corporation Act authorizes the creation and utilization by school districts of public facility corporations to issue bonds to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placing in service of public facilities of its governmental sponsor and further authorizes the governmental sponsor to incur lease purchase obligations in favor of the corporation to serve as security for the bonds issued by the Public Facility Corporation.

Lease revenue bonds in the principal amount of $4,500,000 were issued on February 13, 2006, pursuant to a resolution by the Board of Directors of the Public Facility Corporation and a Master Trust Indenture dated as of February 1, 2007, (the "Trust Indenture") between the Public Facility Corporation and Compass Bank, as trustee to finance, for the benefit of the District, the construction of a new multi-purpose stadium.

To accomplish the financing, the Public Facility Corporation and the District entered into a "Lease With An Option to Purchase Relating to the San Benito Consolidated Independent School District Bobby Morrow Stadium," pursuant to the terms of which the District will pay to the Public Facility Corporation such lease payments at such times and in such amounts as will be required to pay the principal of premium, if any, and interest on the lease revenue bonds as they become due.

H. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Other Funds	Private Purpose Trust Fund	Total
State and private grants	$12,421	$ 70,862	$ -	$ 83,283
Federal grants	-	14,345	-	14,345
Athletic Fund	76,265	-	-	76,265
Scholarship Funds	-	-	6,102	6,102
Total Unearned Revenue	$88,686	$ 85,207	$ 6,102	$179,995

I. DEFINED BENEFIT PENSION PLAN

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

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

I. DEFINED BENEFIT PENSION PLAN

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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov; 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 benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits. State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as supplemental payment to the retirees. In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment of $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. 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. SB12 in the 86th Legislature set higher contribution rates for FY 2020 and FY 2021. Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution of 1.5%. This "surcharge" was previously only charged to employers not participating in social security. Contribution Rates can be found in the TRS 2019 CAFR, Note 11, on page 76.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

I. DEFINED BENEFIT PENSION PLAN

	Contribution Rates	
	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%

Current fiscal year employer contributions	$	2,440,660
Current fiscal year member contributions	$	5,872,195
2018 measurement year NECE on-behalf contributions	$	3,666,369

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (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 sources, a privately sponsored source.

In addition to the employer contributions listed above, there are two 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.
- Employers must contribute 1.5% of the member's salary ("Public Education Employer Surcharge").

Actuarial Assumptions.

Roll Forward - A change was made in the measurement date of the total pension liability for the 2019 measurement year. The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2018 and were adopted in July 2018.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

I. DEFINED BENEFIT PENSION PLAN

The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables.

The following table discloses the assumptions that were applied to this measurement period.

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2019	2.63% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.03%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the TRS actuarial valuation report date November 9, 2018.

Discount Rate. The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the statutorily required rates set by the Legislature during the 2019 legislative session. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

I. DEFINED BENEFIT PENSION PLAN

Asset Class	Target Allocation*	New Target Allocation**	Long-Term Expected Geometric Real Rate of Returns***
Global Equity			
U.S.	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
Stable Value			
U.S. Treasuries****	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Stable Value Hedge Funds	0.00%	0.00%	0.00%
Cash	0.00%	0.00%	0.00%
Real Return			
Global Inflation Linked Bonds****	3.00%	0.00%	0.00%
Real Assets	14.00%	15.00%	8.50%
Energy and Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Risk Parity			
Risk Parity	5.00%	8.00%	5.8%/6.5 *****
Asset Allocation Leverage Cash	1.00%	0.02	2.50%
Asset Allocation Leverage	0.00%	-6.00%	2.70%
Total	100.00%		
Expected Return			7.23%

* *FY 2019 Target Allocations are based on the Strategic Asset Allocation dated 10/01/2018*

** *New target allocation based on the Strategic Asset Allocation dated 10/1/2019*

*** *10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%*

**** *New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds*

***** *5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility*

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability. The discount rate can be found in the 2019 TRS CAFR, Note 11, page 77.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Proportionate share of the net pension liability:	$49,488,342	$32,194,967	$18,183,996

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

I. DEFINED BENEFIT PENSION PLAN

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the District reported a liability of $32,194,967 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$	32,194,967
State's proportionate share that is associated with the District		54,454,524
Total	$	86,649,491

The net pension liability was measured as of August 31, 2019 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, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.0619334959%, which was a decrease of -0.0013094248% from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation. Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2019 was developed using a roll-forward method from the August 31, 2018 valuation.
- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a $2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

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

For the year ended June 30, 2020, the District recognized pension expense of $14,660,781 and revenue of $8,554,038 for support provided by the State in the Government Wide Statement of Activities.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

I. DEFINED BENEFIT PENSION PLAN

At June 30, 2020 the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	$ 135,248	$ 1,117,860
Changes in actuarial assumptions	9,988,460	4,127,704
Differences between projected and actual investment earnings	323,274	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	2,954,216	1,320,413
Contributions paid to TRS subsequent to the measurement date	2,085,078	-
Total as fiscal year-end	$ 15,486,276	$ 6,565,977

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

Fiscal year ended June 30,	Pension Expense Amount
2021	$ 1,800,283
2022	1,412,002
2023	1,650,526
2024	1,672,483
2025	624,677
Thereafter	(324,750)

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86th legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures.

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

TRS-Care Monthly Premium Rates
Effective January 1, 2019 - December 31, 2019

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

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers based on active employee compensation. 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 salary. Section 1575.204 establishes a public school 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 employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act which is 0.75% of each active employee's pay for fiscal year 2019. The following table shows contributions to the TRS-Care plan by type of contributor.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

	Contribution Rates	
	2019	2020
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%

Current fiscal year employer contributions	$	611,334
Current fiscal year member contributions	$	495,684
2018 measurement year NECE on-behalf contributions	$	856,110

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $73.6 million in fiscal year 2019.

Actuarial Assumptions. The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 Rolled Forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% - 9.05%
Ad-hoc Post Employment Benefit Changes	None

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

The impact of the Cadillac Tax that is returning in fiscal year 2023, has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of $850/$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25-basis point addition to the long-term trend rate assumption.

Discount Rate. A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 percent in the discount rate since the previous year. The Discount Rate can be found in the 2019 TRS CAFR on page 70. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 (2.63%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
Proportionate share of the Net OPEB liability	$ 51,834,380	$ 42,933,392	$ 35,970,141

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of Net OPEB liability	$ 35,023,555	$ 42,933,392	$ 53,528,941

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2020, the District reported a liability of $42,933,392 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:

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

District's proportionate share of the collective Net OPEB liability	$ 42,933,392
State's proportionate share that is associated with the District	57,048,875
Total	$ 99,982,267

The Net OPEB Liability was measured as of August 31, 2019 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, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective Net OPEB liability was 0.0907851129% which was a decrease of 0.0002195356% from its proportion measured as of August 31, 2018.

Changes in Actuarial Assumptions 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 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the Total OPEB liability (TOL).
- The health care trend rates were reset to better reflect the plan's anticipated experience. This
- change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

Changes in Benefit Terms: There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, the District recognized OPEB expense of $2,834,279 and revenue of $1,503,574 for support provided by the State.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

At June 30, 2020 the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	$ 2,106,248	$ 7,025,594
Changes in actuarial assumptions	2,384,615	11,548,029
Differences between projected and actual investment earnings	4,632	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,870,301	121,957
Contributions paid to TRS subsequent to the measurement date	511,330	-
Total as of fiscal year-end	$ 6,877,126	$ 18,695,580

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

Fiscal year ended June 30,	OPEB Expense Amount
2021	$ (2,118,345)
2022	(2,118,345)
2023	(2,119,844)
2024	(2,120,702)
2025	(2,120,467)
Thereafter	(1,732,081)

K. GENERAL FUND FEDERAL SOURCE REVENUES

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by TEA and certain direct revenues. The District recognized in the General Fund such revenues for the year ended June 30, 2020 from various federal sources as follows:

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

K. GENERAL FUND FEDERAL SOURCE REVENUES

Program or Source	CFDA Number	Amount
R.O.T.C.	12.000	$ 67,956
School Breakfast Program	10.553	2,427,118
National School Lunch Program	10.555	6,075,131
Food Fresh Vegetables	10.582	92,614
USDA Commodities	10.565	616,292
School Health and Related Services	N/A	1,602,476
Medicaid Administrative Claims	93.778	63,760
Total Programs		10,945,347
Indirect Costs:		
National School Lunch Program	10.555	588,977
ESEA Title I - Part A	84.010A	362,496
ESEA Title I - Part C	84.011A	82,967
IDEA B - Formula	84.027A	115,469
Carl Perkins Grant for Career & Technology Ed	84.048A	14,131
IDEA B - Preschool	84.173A	2,872
21st Century Learning Center	84.287C	83,013
ESEA Title III - Part A - L.E.P.	84.365A	8,687
ESEA Title II - Part A - Supporting Effective Instruction	84.367A	23,637
Title IV, Part A, Subpart I	84.424A	22,860
Total Indirect Costs		1,305,109
Total General Fund		$ 12,250,456

L. LITIGATION

The District is a party to various legal actions, none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such 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, 2020 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.

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

M. 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 year 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year by major category of risk.

State law allows school districts to retain risk through its own risk management program, insure through a commercial carrier, or insure through a public entity risk pool. The District is self-insured for employee medical benefits. The District contracts with a third-party to provide administrative claims processing services for employee medical benefits for the District.

The group health insurance program is reported in the Insurance fund, an internal service fund. Interfund premiums are paid into the internal service and are based primarily on claims experience and are reported as quasi-external transactions.

Accruals for claims are adjusted on a regular basis based on the latest information available on each case. Claims incurred but not reported have been considered in determining the accrual for claims, and the District's management believes adequate accruals have been provided at June 30, 2020.

The District maintains a $150,000 stop-loss policy for the health self-funded insurance program.

Changes in the balance of claims liabilities during the past fiscal years are as follows:

	Year Ended June 30,2020	Year Ended June 30, 2019
Unpaid claims, beginning of year	$ 598,839	$ 1,762,581
Incurred claims (including IBNR's)	11,293,397	9,942,943
Claim payments	(3,449,872)	(11,106,685)
Unpaid claims, end of fiscal year	$ 8,442,364	$ 598,839

The claims liability at the end of the current fiscal year increased based upon the lag study provided by Humana and Blue Cross Blue Shield. The District's monthly contribution per employee for the 2019 - 2020 school year is $451, and the plan options are consistent as well as the $150,000 stop loss policy.

N. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

IV. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

O. PRIOR PERIOD ADJUSTMENT

During Fiscal Year 2019, the District did not properly record the deferred charge on refunding of $311,684, understated depreciation expense by $7,221,640, and did not properly reconcile 2019 accounts by $736,643.

Additionally, for Fiscal Year 2019 the Internal Service Funds of the District understated revenue and overstated expenditures, by 3,662,525 and 752,543, respectively. The net effect of these adjustments decreased the District's governmental fund balance by $736,643, increased the Internal Service fund balance by $4,415,068, and decreased the District's net position by $3,854,899.

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SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

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	$ 15,039,493	$ 15,039,493	$ 14,126,361	$ (913,132)
5800	State Program Revenues	95,420,798	95,420,798	84,279,288	(11,141,510)
5900	Federal Program Revenues	3,121,625	3,121,625	11,818,488	8,696,863
5020	Total Revenues	113,581,916	113,581,916	110,224,137	(3,357,779)
	EXPENDITURES:				
	Current:				
0011	Instruction	59,139,414	59,666,882	58,525,105	1,141,777
0012	Instructional Resources and Media Services	1,487,567	1,495,620	1,355,835	139,785
0013	Curriculum and Instructional Staff Development	1,516,573	1,548,373	1,440,784	107,589
0021	Instructional Leadership	2,105,155	2,173,455	1,520,072	653,383
0023	School Leadership	6,557,549	6,572,049	6,279,988	292,061
0031	Guidance, Counseling, and Evaluation Services	3,200,809	3,221,387	3,234,332	(12,945)
0032	Social Work Services	462,859	471,359	432,516	38,843
0033	Health Services	1,371,651	1,382,151	1,138,619	243,532
0034	Student (Pupil) Transportation	3,683,317	3,716,317	3,085,534	630,783
0035	Food Services	10,873,814	10,923,814	9,178,173	1,745,641
0036	Extracurricular Activities	3,760,285	3,781,295	3,231,913	549,382
0041	General Administration	5,684,573	5,712,273	4,785,148	927,125
0051	Facilities Maintenance and Operations	17,587,815	18,987,906	17,220,175	1,767,731
0052	Security and Monitoring Services	3,311,174	3,375,674	2,488,710	886,964
0053	Data Processing Services	2,405,540	2,414,040	1,656,493	757,547
0061	Community Services	175,034	181,534	88,916	92,618
	Debt Service:				
0071	Principal on Long-Term Debt	712,207	727,207	662,230	64,977
0072	Interest on Long-Term Debt	-	-	46,937	(46,937)
0073	Bond Issuance Cost and Fees	-	-	3,250	(3,250)
	Capital Outlay:				
0081	Facilities Acquisition and Construction	586,641	3,085,719	2,781,578	304,141
	Intergovernmental:				
0095	Payments to Juvenile Justice Alternative Ed. Prg.	75,000	75,000	-	75,000
0099	Other Intergovernmental Charges	200,000	200,000	185,659	14,341
6030	Total Expenditures	124,896,977	129,712,055	119,341,967	10,370,088
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,315,061)	(16,130,139)	(9,117,830)	7,012,309
	OTHER FINANCING SOURCES (USES):				
7911	Capital Related Debt Issued	1,417,133	1,417,133	1,283,747	(133,386)
7912	Sale of Real and Personal Property	-	-	184,000	184,000
7949	Other Resources	-	-	510,629	510,629
8911	Transfers Out (Use)	(1,686,882)	(2,784,486)	(2,651,100)	133,386
7080	Total Other Financing Sources (Uses)	(269,749)	(1,367,353)	(672,724)	694,629
1200	Net Change in Fund Balances	(11,584,810)	(17,497,492)	(9,790,554)	7,706,938
0100	Fund Balance - September 1 (Beginning)	31,582,838	31,582,838	31,582,838	-
1300	Increase (Decrease) in Fund Balance	(608,759)	(608,759)	(608,759)	-
3000	Fund Balance - August 31 (Ending)	$ 19,389,269	$ 13,476,587	$ 21,183,525	$ 7,706,938

SAN BENITO CONSOLIDATED 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, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)	0.061933496%	0.063242921%	0.058188578%
District's Proportionate Share of Net Pension Liability (Asset)	$ 32,194,967	$ 34,810,438	$ 18,605,572
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	54,454,524	58,932,306	33,297,070
Total	$ 86,649,491	$ 93,742,744	$ 51,902,642
District's Covered Payroll	$ 72,750,475	$ 71,621,497	$ 65,350,896
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	44.25%	48.60%	28.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

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 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.062083532%	0.0661713%	0.0427094%
$ 23,460,444	$ 23,390,674	$ 11,408,272
40,646,492	40,451,517	36,536,490
$ 64,106,936	$ 63,842,191	$ 47,944,762
$ 65,561,152	$ 63,842,191	$ 47,944,762
35.78%	36.64%	23.79%
78.00%	78.43%	83.25%

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	$ 2,440,660	$ 2,030,916	$ 1,806,459
Contribution in Relation to the Contractually Required Contribution	(2,440,660)	(2,030,916)	(1,806,459)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 75,756,801	$ 72,244,229	$ 60,716,346
Contributions as a Percentage of Covered Payroll	3.22%	2.81%	2.98%

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.

2017	2016	2015
$ 1,906,921	$ 1,972,566	$ 1,959,754
(1,906,921)	(1,972,566)	(1,959,754)
$ -	$ -	$ -
$ 65,350,896	$ 65,561,152	$ 65,016,551
2.92%	3.01%	3.01%

EXHIBIT G-4

SAN BENITO CONSOLIDATED 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, 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	0.090785113%	0.091004648%	0.087107718%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 42,933,392	$ 45,439,454	$ 37,879,879
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	57,048,875	59,031,615	47,425,809
Total	$ 99,982,267	$ 104,471,069	$ 85,305,688
District's Covered Payroll	$ 72,750,475	$ 71,621,497	$ 234,411,778
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	59.01%	63.44%	16.16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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 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.

EXHIBIT G-5

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	$ 611,334	$ 657,926	$ 400,930
Contribution in Relation to the Contractually Required Contribution	(611,334)	(657,926)	(400,930)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 75,756,801	$ 72,244,229	$ 60,716,346
Contributions as a Percentage of Covered Payroll	0.81%	0.91%	0.66%

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.

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Fund which is included in the General Funds. The District is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds. The district compares the final amended budget to actual revenue and expenditures. The District presented the General Fund budgetary comparison schedule as required supplementary information. The Child Nutrition and Debt Service Fund budgetary comparison schedules are presented as required TEA schedules.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1 Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

2 A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days public notice of the meeting must be given.

3 Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.

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

5 Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The District had no outstanding end-of-year encumbrances.

SPECIAL REVENUE FUNDS

The Special Revenue Funds generally account for state and federally financed programs where unused balances are returned to the grantors at the close of specified project periods. Project accounting is employed to maintain integrity for the various sources of funds. Funds included in the Special Revenue Funds are described in the following pages.

ESEA TITLE I PART A-IMPROVING BASIC PROGRAMS (211)
To account for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

ESEA, TITLE I PART C-EDUCATION OF MIGRATORY CHILDREN (212)
To account for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

IDEA-PART B, FORMULA (224)
To account for funds granted to operate educational programs for children with disabilities.

IDEA PART B, PRESCHOOL (225)
To account for funds granted for preschool children with disabilities.

CAREER AND TECHNICAL – BASIC GRANT (244)
To account for funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at (1) a limited number of campuses (sites) or (2) a limited number of program areas.

ESEA TITLE II PART A TEACHER AND PRINCIPAL TRAINING AND RECRUITING (255)
To provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.

TITLE III, ENGLISH LANGUAGE ACQUISITION AND LANGUAGE ENHANCEMENT (263)
To account for funds granted to improve the education of limited English proficient children, by assisting them to learn English and meet challenging State academic content and student academic achievement standards.

TITLE IV, PART B - 21ST CENTURY COMMUNITY LEARNING CENTERS (265)
This fund classification is to be used to account, on a project basis, for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students.

ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) GRANT (266)
This fund is a Coronavirus Aid, Relief and Economic Security (CARES) Act education funding, to prevent, prepare for and respond to the coronavirus.

GAINING EARLY AWARNESS FOR COLLEGE READINESS: GEAR UP (274)
To account for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities.

EDUCATION JOBS FUND (287)
This fund is to be used for compensation and benefits that are not prohibited by Texas law or statue, and other expenses, such as support services, necessary to retain existing school-level employees, to recall or rehire former school-level employees, and to hire new school-level employees in order to provide early childhood, elementary, or secondary educational and related services.

FEDERALLY FUNDED SPECIAL REVENUE FUNDS (289)
This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above.

CAREER AND TECHNICAL EDUCATION—BASIC GRANTS TO STATES (PERKINS V) (331)
To account for funds used to support and develop the academic knowledge and technical and employability skills of secondary students and postsecondary students.

TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS (352)
To account for funds granted to establish or expand community learning centers (Centers) that provide students with academic enrichment opportunities during non-school hours or periods when school is not in session (i.e., before school, after school, or during summer recess) to complement the students' regular academic program.

EDUCATION SERVICE CENTER (ESC) TECHNOLOGY (408)
To account for funds awarded for technology purposes.

STATE TEXTBOOK FUND (410)
This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the textbook allotment.

SPECIAL EDUCATION FISCAL SUPPORT (427)
This fund classification is to be used to secure evaluation staff, related services personnel, and/or special education teachers to fill short-term needs in the area of initial evaluations, compensatory services and extended school year services (ESY).

STATE FUNDED SPECIAL REVENUE FUNDS (429)
State funded special revenue funds not listed above are to be accounted for in this fund.

CAMPUS ACTIVITY FUNDS (461)
This fund classification is to be used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

LEASE ESCROW LED (598)
To account for resources accumulated and payments made for principal and interest on long-term capital lease debt of governmental funds.

DEBT SERVICE FUND (599)
To account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
	ASSETS				
1110	Cash and Cash Equivalents	$ 140,061	$ -	$ 109,401	$ 6,576
1210	Property Taxes - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	619,361	240,619	-	-
1260	Due from Other Funds	35,891	5,553	67,693	78
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 795,313	$ 246,172	$ 177,094	$ 6,654
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ 1	$ 1
2150	Payroll Deductions and Withholdings Payable	-	-	-	-
2160	Accrued Wages Payable	355,188	84,481	-	-
2170	Due to Other Funds	440,125	161,691	177,093	6,407
2180	Due to Other Governments	-	-	-	246
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	795,313	246,172	177,094	6,654
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-
	FUND BALANCES				
	Restricted Fund Balance:				
3480	Retirement of Long-Term Debt	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 795,313	$ 246,172	$ 177,094	$ 6,654

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	266 COVID-19 ESSER Grant	274 GEAR UP	287 Teacher and School Leader Incentive	289 Other Federal Special Revenue Funds
$ 4,884	$ 27,368	$ 15,987	$ 159,776	$ -	$ -	$ 4,730	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	104,948	31,861	-	1,932,006	59,337	33,691	98,303
468	3,276	-	-	-	32,678	145	-
-	-	-	-	-	-	-	-
$ 5,352	$ 135,592	$ 47,848	$ 159,776	$ 1,932,006	$ 92,015	$ 38,566	$ 98,303
$ -	$ 1,958	$ -	$ -	$ -	$ -	$ -	$ -
77	-	-	-	-	-	-	-
-	30,870	11,048	909	-	15,648	-	-
5,275	102,764	36,800	158,867	1,932,006	76,367	38,566	98,303
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,352	135,592	47,848	159,776	1,932,006	92,015	38,566	98,303
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 5,352	$ 135,592	$ 47,848	$ 159,776	$ 1,932,006	$ 92,015	$ 38,566	$ 98,303

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		331 SSA - Career & Technical - Basic Grant	352 SSA - 21st Century Learning	408 ESC Technology	410 State Instructional Materials
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ 32,569	$ 249	$ -
1210	Property Taxes - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	5,085	206,686	-	100,419
1260	Due from Other Funds	4,895	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 9,980	$ 239,255	$ 249	$ 100,419
	LIABILITIES				
2110	Accounts Payable	$ -	$ 7,199	$ -	$ -
2150	Payroll Deductions and Withholdings Payable	-	-	-	-
2160	Accrued Wages Payable	-	10,057	-	-
2170	Due to Other Funds	9,980	207,652	-	100,419
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	14,347	249	-
2000	Total Liabilities	9,980	239,255	249	100,419
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-
	FUND BALANCES				
	Restricted Fund Balance:				
3480	Retirement of Long-Term Debt	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 9,980	$ 239,255	$ 249	$ 100,419

427 Special Educ. Fiscal Support	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	598 Lease Escrow LED	599 Debt Service Fund	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
$ 70,612	$ -	$ 209,078	$ 781,291	$ -	$ 769,979	$ 769,979	$ 1,551,270
-	-	-	-	-	184,031	184,031	184,031
-	-	-	-	-	133,264	133,264	133,264
-	-	-	-	-	(33,107)	(33,107)	(33,107)
-	185,157	-	3,617,473	-	-	-	3,617,473
-	-	14,047	164,724	-	52,248	52,248	216,972
-	-	563	563	-	-	-	563
$ 70,612	$ 185,157	$ 223,688	$ 4,564,051	$ -	$ 1,106,415	$ 1,106,415	$ 5,670,466
$ -	$ -	$ -	$ 9,159	$ -	$ 1	$ 1	$ 9,160
-	-	-	77	-	-	-	77
-	-	-	508,201	-	-	-	508,201
-	185,157	490	3,737,962	-	1,117,608	1,117,608	4,855,570
-	-	-	246	-	-	-	246
70,612	-	-	85,208	-	-	-	85,208
70,612	185,157	490	4,340,853	-	1,117,609	1,117,609	5,458,462
-	-	-	-	-	284,188	284,188	284,188
-	-	-	-	-	284,188	284,188	284,188
-	-	-	-	-	(295,382)	(295,382)	(295,382)
-	-	223,198	223,198	-	-	-	223,198
-	-	223,198	223,198	-	(295,382)	(295,382)	(72,184)
$ 70,612	$ 185,157	$ 223,688	$ 4,564,051	$ -	$ 1,106,415	$ 1,106,415	$ 5,670,466

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	5,632,222	1,298,297	1,894,168	44,824
5020	Total Revenues	5,632,222	1,298,297	1,894,168	44,824
	EXPENDITURES:				
	Current:				
0011	Instruction	3,703,447	840,520	1,041,063	44,824
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	980,433	-	-	-
0021	Instructional Leadership	294,358	148,018	165,998	-
0023	School Leadership	1,000	-	-	-
0031	Guidance, Counseling, and Evaluation Services	28,627	93,219	638,928	-
0032	Social Work Services	-	140,535	-	-
0033	Health Services	8,520	-	40,944	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	7,235	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	863	1,251	-	-
0052	Security and Monitoring Services	40,000	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	574,974	74,754	-	-
	Debt Service:				
0071	Principal on Long-Term Debt	-	-	-	-
0072	Interest on Long-Term Debt	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030	Total Expenditures	5,632,222	1,298,297	1,894,168	44,824
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES):				
7914	Non-Current Loans	-	-	-	-
7915	Transfers In	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
1300	Increase (Decrease) in Fund Balance	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	266 COVID-19 ESSER Grant	274 GEAR UP	287 Teacher and School Leader Incentive	289 Other Federal Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
28,276	495,279	154,199	-	1,932,006	294,550	153,552	394,964
28,276	495,279	154,199	-	1,932,006	294,550	153,552	394,964
28,276	199,913	150,254	-	606,467	90,203	153,552	261,789
-	-	-	-	14,871	-	-	-
-	150,906	2,800	-	3,737	-	-	87,004
-	38,536	645	-	42,817	204,347	-	-
-	105,924	-	-	122,894	-	-	146
-	-	-	-	29,376	-	-	43,854
-	-	-	-	24,125	-	-	-
-	-	-	-	20,025	-	-	-
-	-	-	-	85,405	-	-	-
-	-	-	-	291,135	-	-	-
-	-	-	-	19,984	-	-	-
-	-	-	-	81,968	-	-	-
-	-	-	-	451,408	-	-	-
-	-	-	-	99,184	-	-	2,171
-	-	-	-	24,257	-	-	-
-	-	500	-	14,353	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,276	495,279	154,199	-	1,932,006	294,550	153,552	394,964
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		331 SSA - Career & Technical - Basic Grant	352 SSA - 21st Century Comm. Learning	408 ESC Technology	410 State Instructional Materials
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ 469
5800	State Program Revenues	-	-	-	1,467,070
5900	Federal Program Revenues	227,554	1,361,757	-	-
5020	Total Revenues	227,554	1,361,757	-	1,467,539
	EXPENDITURES:				
	Current:				
0011	Instruction	201,161	389,413	-	1,467,539
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	4,350	-	-	-
0021	Instructional Leadership	3,382	603,104	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	729	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	2,268	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	3,114	-	-
	Debt Service:				
0071	Principal on Long-Term Debt	-	-	-	-
0072	Interest on Long-Term Debt	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	17,932	363,858	-	-
6030	Total Expenditures	227,554	1,361,757	-	1,467,539
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES):				
7914	Non-Current Loans	-	-	-	-
7915	Transfers In	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	(46,583)	-	-
1300	Increase (Decrease) in Fund Balance	-	46,583	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

427 Special Educ. Fiscal Support	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	598 Lease Escrow LED	599 Debt Service Fund	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ 506,008	$ 506,477	$ -	$ 2,755,667	$ 2,755,667	$ 3,262,144
9,388	10,309	-	1,486,767	-	2,739,637	2,739,637	4,226,404
-	170,224	-	14,081,872	-	-	-	14,081,872
9,388	180,533	506,008	16,075,116	-	5,495,304	5,495,304	21,570,420
-	10,309	-	9,188,730	-	-	-	9,188,730
-	-	-	14,871	-	-	-	14,871
-	-	-	1,229,230	-	-	-	1,229,230
-	-	-	1,501,205	-	-	-	1,501,205
-	-	-	229,964	-	-	-	229,964
9,388	-	-	844,121	-	-	-	844,121
-	-	-	164,660	-	-	-	164,660
-	-	-	69,489	-	-	-	69,489
-	-	-	85,405	-	-	-	85,405
-	-	-	291,135	-	-	-	291,135
-	-	285,312	312,531	-	-	-	312,531
-	-	-	81,968	-	-	-	81,968
-	-	-	455,790	-	-	-	455,790
-	170,224	-	311,579	-	-	-	311,579
-	-	-	24,257	-	-	-	24,257
-	-	-	667,695	-	-	-	667,695
-	-	-	-	190,677	3,860,000	4,050,677	4,050,677
-	-	-	-	79,071	3,741,222	3,820,293	3,820,293
-	-	-	-	-	1,450	1,450	1,450
-	-	-	381,790	-	-	-	381,790
9,388	180,533	285,312	15,854,420	269,748	7,602,672	7,872,420	23,726,840
-	-	220,696	220,696	(269,748)	(2,107,368)	(2,377,116)	(2,156,420)
-	-	-	-	269,748	-	269,748	269,748
-	-	-	-	-	1,097,604	1,097,604	1,097,604
-	-	-	-	269,748	1,097,604	1,367,352	1,367,352
-	-	220,696	220,696	-	(1,009,764)	(1,009,764)	(789,068)
-	-	176,969	130,386	-	714,382	714,382	844,768
-	-	(174,467)	(127,884)	-	-	-	(127,884)
$ -	$ -	$ 223,198	$ 223,198	$ -	$ (295,382)	$ (295,382)	$ (72,184)

EXHIBIT H-3

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	BALANCE JULY 1 2019	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2020
SCHOLARSHIP FUND				
Assets:				
Cash and Temporary Investments	$ 300,960	$ 1,654,736	$ 1,549,004	$ 406,692
Liabilities:				
Due to Student Groups	$ 300,960	$ 1,654,736	$ 1,549,004	$ 406,692
STUDENT ACTIVITY ACCOUNTS				
Assets:				
Cash and Temporary Investments	$ 104,947	$ 528,410	$ 520,341	$ 113,016
Liabilities:				
Due to Student Groups	$ 104,947	$ 528,410	$ 520,341	$ 113,016
TOTAL CUSTODIAL FUNDS				
Assets:				
Cash and Temporary Investments	$ 405,907	$ 2,183,146	$ 2,069,345	$ 519,708
Liabilities:				
Due to Student Groups	$ 405,907	$ 2,183,146	$ 2,069,345	$ 519,708

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2020

Last 10 Years Ended August 31		(1) Tax Rates	(2)	(3) Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2011	and prior years	$ 1.170000	$ 0.134900	$ 828,448,406
2012		1.170000	0.134900	838,322,189
2013		1.170000	0.134900	850,768,778
2014		1.170000	0.134900	872,203,176
2015		1.170000	0.134900	896,741,770
2016		1.170000	0.134900	894,030,028
2017		1.700000	0.134900	963,755,238
2018		1.700000	0.134900	1,019,364,579
2019		1.170000	0.134900	1,019,364,579
2020	(School year under audit)	1.170000	0.134900	1,190,253,719
1000	TOTALS			

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
$ 478,842	$ -	$ 12,921	$ 1,790	$ (40,085)	$ 424,046
73,953	-	5,586	644	(200)	67,523
78,745	-	6,084	701	(71)	71,889
91,619	-	13,574	1,565	(208)	76,272
113,066	-	23,858	2,751	1,301	87,758
152,775	-	45,051	5,194	9,055	111,585
250,066	-	83,516	9,629	11,462	168,383
452,221	-	175,519	20,237	13,943	270,408
1,185,863	-	616,751	71,111	11,680	509,681
-	15,177,678	12,473,253	1,438,155	15,413	1,281,683
$ 2,877,150	$ 15,177,678	$ 13,456,113	$ 1,551,777	$ 22,290	$ 3,069,228

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2020

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	$ 326,000	$ 326,000	$ 253,650	$ (72,350)
5800	State Program Revenues	40,000	40,000	182,081	142,081
5900	Federal Program Revenues	8,772,735	8,772,735	8,622,178	(150,557)
5020	Total Revenues	9,138,735	9,138,735	9,057,909	(80,826)
	EXPENDITURES:				
	Current:				
0035	Food Services	10,818,486	10,818,486	9,126,432	1,692,054
0051	Facilities Maintenance and Operations	800	275,800	265,136	10,664
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	70,240	-	70,240
6030	Total Expenditures	10,819,286	11,164,526	9,391,568	1,772,958
1200	Net Change in Fund Balances	(1,680,551)	(2,025,791)	(333,659)	1,692,132
0100	Fund Balance - September 1 (Beginning)	3,545,060	3,545,060	3,545,060	-
3000	Fund Balance - August 31 (Ending)	$ 1,864,509	$ 1,519,269	$ 3,211,401	$ 1,692,132

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

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	$ 2,902,577	$ 2,902,577	$ 2,755,667	$ (146,910)
5800	State Program Revenues	3,167,013	3,167,013	2,739,637	(427,376)
5020	Total Revenues	6,069,590	6,069,590	5,495,304	(574,286)
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	7,873,972	7,873,972	4,050,677	3,823,295
0072	Interest on Long-Term Debt	-	-	3,820,293	(3,820,293)
0073	Bond Issuance Cost and Fees	-	-	1,450	(1,450)
6030	Total Expenditures	7,873,972	7,873,972	7,872,420	1,552
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,804,382)	(1,804,382)	(2,377,116)	(572,734)
	OTHER FINANCING SOURCES (USES):				
7914	Non-Current Loans	269,749	269,749	269,748	(1)
7915	Transfers In	1,534,633	1,534,633	1,097,604	(437,029)
7080	Total Other Financing Sources (Uses)	1,804,382	1,804,382	1,367,352	(437,030)
1200	Net Change in Fund Balances	-	-	(1,009,764)	(1,009,764)
0100	Fund Balance - September 1 (Beginning)	714,382	714,382	714,382	-
3000	Fund Balance - August 31 (Ending)	$ 714,382	$ 714,382	$ (295,382)	$ (1,009,764)

SCHEDULE 1
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014	2015
Governmental Activities					
Investment in Capital Assets	$ 31,940,925	$ 27,553,765	$ 31,435,161	$ 29,162,275	$ 20,923,906
Restricted	4,750,761	907,063	759,595	903,442	1,354,808
Unrestricted	13,065,109	21,066,228	13,028,928	3,600,110	2,338,795
Total Net Assets	$ 49,756,795	$ 49,527,056	$ 45,223,684	$ 33,665,827	$ 24,617,509

Source: The District's Statement of Net Position (Exhibit A-1)

2016	2017	2018	2019	2020
$ 21,635,539	$ 21,144,936	$ 17,069,994	$ 25,886,245	$ (15,402,004)
2,370,376	2,994,466	4,058,729	4,616,563	3,214,656
10,743,442	17,148,537	(30,670,364)	(45,134,187)	(25,581,689)
$ 34,749,357	$ 41,287,939	$ (9,541,641)	$ (14,631,379)	$ (37,769,037)

SCHEDULE 2
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014	2015
Expenses					
Governmental Activities:					
Instruction	$ 60,427,853	$ 56,328,203	$ 57,990,987	$ 66,025,034	$ 59,322,070
Instructional Resources & Media Services	2,142,711	1,571,906	1,542,095	1,895,658	1,718,419
Curriculum & Staff Development	2,082,618	2,365,243	3,252,308	2,262,031	2,526,850
Instructional Leadership	4,152,360	3,916,131	3,971,475	4,163,280	3,930,224
School Leadership	5,817,613	5,583,916	5,874,896	6,630,878	6,031,112
Guidance, Counseling & Evaluation Services	3,785,781	4,217,758	4,132,155	4,613,064	3,904,438
Social Work Services	471,329	710,653	662,848	662,220	587,792
Health Services	1,143,995	1,077,207	1,089,404	1,147,375	950,291
Student (Pupil) Transportation	1,318,748	1,273,431	2,024,233	2,692,778	4,034,672
Food Services	7,593,641	7,708,186	7,993,884	8,189,564	8,295,497
Cocurricular/Extracurricular Activities	2,957,815	2,894,494	2,964,489	3,131,092	3,260,432
General Administration	4,713,674	4,764,867	5,706,878	3,612,256	3,880,073
Plant Maintenance & Operations	15,070,598	13,663,044	13,810,211	14,550,851	14,325,259
Security & Monitoring Services	1,991,849	1,792,422	1,900,751	1,980,796	2,364,385
Data Processing Services	743,036	703,964	203,534	201,111	187,608
Community Services	674,478	541,293	461,648	428,467	446,080
Debt Service - Interest on Long Term Debt	5,057,887	4,667,868	4,867,960	4,090,319	3,637,806
Debt Service - Bond Issuance Cost & Fees	7,400	3,351	6,900	6,100	229,297
Facilities Acquisition & Construction	-	-	-	-	-
Payments related to Shared Services Arrangements	-	-	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	37,894	57,655	59,172	-	-
Other Intergovernmental Charges	114,703	106,438	111,421	120,888	127,350
Total Governmental Activities	120,305,983	113,948,030	118,627,249	126,403,762	119,759,655
Program Revenues					
Charges for Services					
Instruction	-	-	-	4,000	69,197
Instructional Resources and Media Services	-	-	-	-	-
Curriculum and Instructional Staff Development	-	-	-	-	1,786
Instructional Leadership	-	-	-	-	-
School Leadership	-	-	-	-	-
Guidance, Counseling and Evaluation Services	-	-	-	-	-
Social Work Services	-	-	-	-	-
Health Services	-	-	-	-	-
Student (Pupil) Transportation	-	-	-	28,581	-
Food Services	425,428	371,792	344,675	364,127	354,265
Extracurricular Activities	139,887	162,268	141,020	124,237	165,244
General Administration	159,497	247,944	132,578	95,079	8,038
Plant Maintenance and Operations	484	7,728	8,674	11,709	37,899
Security and Monitoring Services	-	-	-	-	-
Data Processing Services	-	-	-	-	-
Community Services	-	-	-	-	-
Debt Service - Interest on Long Term Debt	-	-	-	-	-
Debt Service - Bond Issuance Cost & Fees	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-
Operating Grants and Contributions	31,517,935	27,360,210	25,105,915	24,941,068	25,341,970
Total Governmental Activities Program Revenues	32,243,231	28,149,942	25,732,862	25,568,801	25,978,399
Net Governmental Activities Revenue/(Expense)	$ (88,062,752)	$ (85,798,088)	$ (92,894,387)	$ (100,834,961)	$ (93,781,256)

Source: The District's Statement of Activities (Exhibit B-1)

2016	2017	2018	2019	2020
$ 63,579,286	$ 65,933,196	$ 48,362,907	$ 69,712,415	$ 76,623,000
1,427,897	1,405,631	1,226,766	1,394,777	1,536,342
2,082,453	2,390,299	494,907	2,571,377	2,875,184
3,728,230	3,305,942	1,501,464	3,524,917	3,472,816
5,868,502	5,248,846	5,471,648	6,738,738	7,764,163
3,528,602	3,524,474	2,222,002	3,683,097	4,687,561
409,749	523,126	419,027	566,214	677,061
1,009,704	1,022,203	(880,587)	1,188,340	1,375,423
3,662,568	3,848,799	3,559,687	3,881,449	6,676,535
9,291,212	8,581,254	(1,398,044)	8,736,654	10,540,822
3,067,590	3,405,259	2,899,304	2,858,314	3,932,151
3,929,093	4,141,331	3,837,967	9,553,691	5,366,893
13,460,532	13,548,780	11,647,797	17,354,754	19,781,268
2,223,422	2,459,436	2,449,004	2,550,846	3,245,523
601,063	1,547,295	2,686,798	2,239,105	2,346,689
482,713	633,160	(12,821)	786,092	856,269
2,958,355	2,459,673	1,646,053	1,650,124	2,925,839
369,127	4,500	21,152	(100,569)	4,700
-	-	-	405,433	2,001,365
2,296	520,243	-	460,203	381,790
-	-	-	5,429	-
135,241	129,271	116,170	163,220	185,659
121,817,635	124,632,718	86,271,201	139,924,620	157,257,053
57,052	82,784	54,842	-	-
-	-	-	-	-
-	9,466	6,269	-	-
-	28,398	18,808	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,816	4,870	7,245	5,258
312,450	436,075	394,646	422,669	397,660
134,153	486,373	666,801	958,287	633,965
12,513	19,580	25,835	66,418	98,865
41,587	59,160	101,121	342,129	503,416
-	-	-	-	-
-	-	-	-	-
-	4,057	2,687	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
27,604,348	28,597,657	5,538,325	-	24,738,191
28,162,103	29,727,366	6,814,204	1,796,748	26,377,355
$ (93,655,532)	$ (94,905,352)	$ (79,456,997)	$ (138,127,872)	$ (130,879,698)

SCHEDULE 3
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND CHANGES IN NET POSITION

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014	2015
Net Governmental Activities Revenue /(Expense)	$ (88,062,752)	$ (85,798,088)	$ (92,894,387)	$ (100,834,961)	$ (93,781,256)
General Revenues:					
Property Taxes - M&O	9,409,089	9,419,485	9,644,332	9,919,133	10,179,648
Property Taxes - Debt Service	1,086,429	1,068,327	1,106,958	1,148,844	1,174,625
State Aid	68,558,430	70,206,231	73,440,892	73,409,773	79,385,949
Grants & Contributions not Restricted	4,530,288	4,362,991	5,192,621	4,043,775	6,517,034
Investment Earnings	59,457	54,079	47,071	29,703	29,039
Miscellaneous Local and	252,106	457,236	387,042	657,518	324,263
Intermediate Revenue	-	-	-	-	-
Transfers In (Out)	-	-	-	-	47,999
Total General Revenues	83,895,799	85,568,349	89,818,916	89,208,746	97,610,558
Special and Extraordinary Items:					
Special Item		-	-	-	-
Special - (Use)	-	-	-	-	-
Extraordinary Item - resource	-	-	-	-	-
Total Special Items	-	-	-	-	-
Change in Net Position	$ (4,166,953)	$ (229,739)	$ (3,075,471)	$ (11,626,215)	$ 3,829,302

Source: The District's Statement of Activities (Exhibit B-1)

2016	2017	2018	2019	2020
$ (93,655,532)	$ (94,905,352)	$ (79,456,997)	$ (138,127,872)	$ (130,879,698)
10,257,787	10,913,491	11,402,529	13,486,719	13,599,430
1,182,032	1,250,018	1,302,856	1,434,800	1,568,007
84,094,713	80,195,776	85,606,690	-	79,161,182
7,721,262	8,489,909	2,927,582	118,834,643	15,832,941
79,065	251,701	454,738	1,066,826	1,004,038
452,521	343,039	245,470	11,894	431,341
-	-	-	-	-
-	-	-	-	-
103,787,380	101,443,934	101,939,865	134,834,882	111,596,939
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 10,131,848	$ 6,538,582	$ 22,482,868	$ (3,292,990)	$ (19,282,759)

SCHEDULE 4
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014	2015
General Fund					
Reserved Fund Balances:					
Investments in Inventory	$ -	$ -	$ -	$ -	$ -
Food Service	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Other Purposes	-	-	-	-	-
Unreserved and Undesignated:					
Reported in the General Fund	-	-	-	-	-
Nonspendable Fund Balances:					
Inventories	419,358	176,124	448,415	452,646	414,660
Prepaid Items	-	224,553	951,407	616,802	142,746
Restricted Fund Balances:					
Federal or State Funds Grant Restriction	127,797	494,641	525,143	648,473	1,111,655
Committed Fund Balances:					
Construction	-	-	-	-	-
Self Insurance/Worker's Compensation	-	-	-	-	-
Other Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance:					
Other Assigned Fund Balance	2,439,261	5,050,787	5,274,486	5,343,290	1,306,620
Unassigned Fund Balance	11,847,793	11,325,930	10,816,009	1,230,555	5,179,227
Total General Fund Balance	$ 14,834,209	$ 17,272,035	$ 18,015,460	$ 8,291,766	$ 8,154,908
All Other Governmental Funds					
Reserved Fund Balances:					
Retirement of Long-Term Debt					
Retirement of Long Term Debt	-	-	-	-	-
Unreserved and Undesignated:					
Reported in the Capital Projects funds	-	-	-	-	-
Reported in Special Revenue funds	-	-	-	-	-
Committed Fund Balances:					
Construction	-	421,422	325,515	322,791	323,323
Other	-	-	-	-	-
Unassigned Fund Balance	4,622,964	-	-	-	-
Total All Other Governmental Fund Balance	4,622,964	421,422	325,515	322,791	323,323
Total Government Funds -- Fund Balance	$ 19,457,173	$ 17,693,457	$ 18,340,975	$ 8,614,557	$ 8,478,231
Governmental Funds					
Beginning Fund Balance	$ 34,028,897	$ 19,457,173	$ 17,693,458	$ 18,340,975	$ 8,614,375
Net Change in Fund Balance	(14,571,724)	(1,763,715)	647,517	(9,726,600)	(136,144)
Prior Period Adjustment	-	-	-	-	-
Ending Balance	$ 19,457,173	$ 17,693,458	$ 18,340,975	$ 8,614,375	$ 8,478,231

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances. The District implemented GASB 54 in fiscal year 2011.

2016	2017	2018	2019	2020
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
477,196	649,502	533,567	570,131	749,260
140,793	145,880	322,359	326,157	290,264
			-	-
2,069,862	2,707,868	2,606,746	2,606,747	3,214,656
-	-	-	-	-
1,113,528	1,113,528	-	-	-
-	135,930	-	-	-
523,726	-	-	1,113,528	-
17,937,163	24,558,475		26,966,275	16,929,345
$ 22,262,268	$ 29,311,183	$ 3,462,672	$ 31,582,838	$ 21,183,525
-	553,097	888,079	-	(295,382)
-	-	-	-	-
-	-	-	-	-
324,816	-	-	-	-
-	135,930	141,137	-	-
-	-	29,856,620	31,491,531	35,789,267
324,816	689,027	30,885,836	31,491,531	35,493,885
$ 22,587,084	$ 30,000,210	$ 34,348,508	$ 63,074,369	$ 56,677,410
$ 8,478,231	$ 22,587,084	$ 29,865,620	$ 58,457,806	$ 63,074,369
14,108,853	7,277,196	4,522,508	4,616,563	(5,660,316)
-	-	-	-	(736,643)
$ 22,587,084	$ 29,864,280	$ 34,388,128	$ 63,074,369	$ 56,677,410

SCHEDULE 5
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND REVENUES BY SOURCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Local and Intermediate Sources		State Programs	Federal Programs	Total
	Property Tax	Other	Per Capita and Foundation		
2011	$ 10,265,767	$ 1,083,801	$ 77,138,629	$ 27,465,471	$ 115,953,668
2012	10,572,778	1,155,487	77,451,135	24,467,331	113,646,731
2013	10,985,680	1,043,966	81,325,195	22,414,233	115,769,074
2014	11,005,638	982,951	80,522,987	21,853,306	114,364,882
2015	11,437,486	993,329	89,148,703	22,089,690	123,669,208
2016	11,483,771	986,533	93,668,013	23,358,056	129,496,373
2017	11,878,196	1,937,053	91,847,958	25,432,960	131,096,167
2018	12,313,348	2,194,989	89,931,874	21,776,349	126,216,560
2019	14,830,519	1,993,789	89,726,842	25,826,780	132,377,930
2020	14,632,149	3,262,144	88,505,692	25,900,360	132,300,345

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances; Exhibits J-1; Exchibit C-3; and Notes to Financial Statements.

SCHEDULE 6
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Instruction and Instructional Related Services	Instructional and School Leadership	Support Services Student (Pupil)	Administrative Support Services	Support Services Nonstudent Based	Ancillary Services
2011	$ 60,548,141	$ 9,297,070	$ 16,001,119	$ 3,397,490	$ 16,656,958	$ 599,711
2012	56,741,037	8,863,359	16,489,740	2,866,999	15,090,539	504,261
2013	59,072,695	9,162,586	16,848,212	2,952,653	15,070,944	430,596
2014	61,226,831	9,305,291	17,321,791	3,132,088	15,466,951	399,896
2015	62,421,142	9,848,421	20,377,136	3,792,662	16,525,254	439,344
2016	60,679,061	8,577,411	18,843,592	3,633,847	15,971,357	390,124
2017	65,813,860	8,006,331	19,653,255	3,967,446	16,908,859	596,125
2018*	62,141,360	8,930,705	21,761,865	3,917,786	18,367,998	568,355
2019	69,222,475	9,457,428	21,432,347	4,716,058	23,396,448	742,191
2020	71,754,555	9,531,229	22,068,428	4,867,116	22,157,004	756,611

Source: The District's Annual Financial Report - Governmental Funds Statements of Revenues, Fund Expenditures, and Changes in Fund Balances.

Note: Operating expenditures excludes capital outlay (Function 81)

* Denotes change in fiscal year. Prior to 2018 fiscal year began September 1st and ended August 31st. Beginning in fiscal year 2018, the District changed their fiscal year to end June 30th.

Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-Governmental Charges	Total Governmental Fund Expenditures	Ratio of Debt Service to Non-Capital Expenditures
$ 5,113,488	$ 4,824,243	$ 12,359,765	$ 152,597	$ 128,950,582	8.53%
4,525,130	4,719,473	4,278,210	164,093	114,242,841	8.42%
4,769,880	4,013,748	115,897	170,593	112,607,804	7.82%
4,879,840	3,904,589	71,887	120,888	115,830,052	7.60%
5,181,961	3,600,041	9,950	127,350	122,323,261	7.19%
4,660,000	4,078,262	-	137,537	116,971,191	7.48%
5,130,000	2,950,138	143,443	649,514	123,818,971	6.57%
5,024,721	2,121,191	42,982	420,757	123,297,720	5.82%
4,015,163	2,743,430	1,077,102	628,852	137,431,494	4.98%
4,712,907	3,871,930	7,618,060	567,449	147,905,289	6.14%

SCHEDULE 7
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
GOVERMENTAL FUNDS OTHER SOURCES, USES
AND CHANGES IN FUND BALANCES

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014	2015
Excess of Revenues Over (Under) Expenditures	$ (12,996,914)	$ (596,110)	$ 3,161,270	$ (1,465,170)	$ 1,345,947
Other Financing Sources (Uses)					
Refunded Bonds Issued	$ -	$ -	$ -	$ -	$ -
Capital-Related Debt Issued	-	28,825,000	-	-	15,790,000
Sale of Real and Personal Property	14,303	21,856	17,095	23,940	2,962
Non-Current Loans	-	-	-	-	-
Transfers In	3,141,861	3,622,129	3,586,143	5,149,542	2,468,144
Premium or Discount on Issuance of Bonds	-	3,327,183	-	-	2,347,630
Other Resources	52,408	12,119	-	330,286	-
Transfers Out	(4,783,382)	(5,295,638)	(6,116,991)	(13,765,198)	(4,178,406)
Other Uses	-	(31,680,254)	-	-	(17,912,421)
Proceeds from Capital Leases	-	-	-	-	-
Total Other Financing Sources (Uses)	$ (1,574,810)	$ (1,167,605)	$ (2,513,753)	$ (8,261,430)	$ (1,482,091)
Special Items		-	-	-	-
Net Change in Fund Balances	$ (14,571,724)	$ (1,763,715)	$ 647,517	$ (9,726,600)	$ (136,144)

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances.

2016	2017	2018	2019	2020
$ 12,525,182	$ 7,277,196	$ 2,915,840	$ (5,053,564)	$ (15,604,944)
$ 30,580,000	$ -	$ -	$ -	$ -
-		-	30,750,000	10,533,747
-	-	-	-	184,000
-	-	-	2,240,000	269,748
3,353,260	328,058		2,318,131	1,097,604
4,072,644	(328,058)	-	-	-
103,119	-	-	-	-
(2,238,500)	-	-	(1,568,131)	510,629
(34,286,852)	-	-	(195)	(2,651,100)
-	-	1,606,668	-	
$ 1,583,671	$ -	$ 1,606,668	$ 33,739,805	$ 9,944,628
-	-	-	-	-
$ 14,108,853	$ 7,277,196	$ 4,522,508	$ 28,686,241	$ (5,660,316)

SCHEDULE 8
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION
PER AVERAGE DAILY ATTENDANCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance *	Instruction and Instructional Related Services	Instructional and School Leadership	Support Services Student (Pupil)	Administrative Support Services	Support Services Nonstudent Based
2011	11,351	$ 5,334	$ 819	$ 1,410	$ 299	$ 1,467
2012	11,373	4,989	779	1,450	252	1,327
2013	11,160	5,293	821	1,510	265	1,350
2014	11,010	5,561	845	1,573	284	1,405
2015	11,018	5,665	894	1,849	344	1,500
2016	10,885	5,575	788	1,731	334	1,467
2017	10,621	6,197	754	1,850	374	1,592
2018	9,359	6,640	954	2,325	419	1,963
2019	9,411	7,356	1,005	2,277	501	2,486
2020	9,183	7,814	1,038	2,403	530	2,413

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports

Note: * Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

Ancillary Services	Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-Governmental Charges	Total
$ 53	$ 450	$ 425	$ 1,089	$ 13	$ 11,360
44	398	415	376	14	10,045
39	427	360	10	15	10,090
36	443	355	7	11	10,520
40	470	327	1	12	11,102
36	428	375	-	13	10,746
56	483	278	14	61	11,658
61	227	227	5	45	12,864
79	292	292	114	67	14,468
82	422	422	830	62	16,014

SCHEDULE 9
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

(Unaudited)

Fiscal Year	Assessed Value			Estimated Actual Value	Ratio of Total Assessed To Total Estimated Actual Value	*Total Direct Tax Rate
	Real Property	Personal Property	Total			
2010	$ 673,716,078	$ 127,945,717	$ 801,661,795	$ 1,198,828,799	66.87%	1.040000
2011	693,037,299	129,516,059	822,553,358	1,194,012,675	68.89%	1.170000
2012	707,274,038	123,970,068	831,244,106	1,209,420,891	68.73%	1.170000
2013	725,739,759	122,081,341	847,821,100	1,223,694,966	69.28%	1.170000
2014	741,684,287	126,606,758	868,291,045	1,316,228,782	65.97%	1.170000
2015	764,946,300	130,792,076	895,738,376	1,330,948,143	67.30%	1.170000
2016	762,213,151	135,887,549	898,100,700	1,415,950,934	63.43%	1.170000
2017	797,360,136	159,157,734	956,517,870	1,493,119,651	64.06%	1.170000
2018	853,057,121	158,710,262	1,011,767,383	1,528,190,023	66.21%	1.170000
2019	904,240,548	179,382,229	1,083,622,777	1,675,397,264	64.68%	1.170000
2020	958,494,981	175,432,387	1,133,927,368	1,796,776,687	63.11%	1.170000

Source: Cameron County Appraisal District
* Per $100 of assessed value

SCHEDULE 10
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Susequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	$ 10,298,051	$ 9,241,899	89.74%	$ 884,986	$10,126,885	98.34%
2011	10,611,667	9,491,607	89.45%	911,182	10,402,789	98.03%
2012	10,656,585	9,725,652	91.26%	768,784	10,494,436	98.48%
2013	10,915,212	10,013,215	91.74%	743,302	10,756,517	98.55%
2014	11,201,721	10,188,674	90.96%	770,411	10,959,085	97.83%
2015	11,535,894	10,607,761	91.95%	711,028	11,318,789	98.12%
2016	11,509,951	10,631,891	92.37%	598,985	11,230,876	97.58%
2017	12,329,817	11,275,322	91.45%	440,962	11,716,284	95.02%
2018	13,003,969	11,810,706	90.82%	-	11,810,706	90.82%
2019	14,082,378	12,811,844	90.98%	-	12,811,844	90.98%
2020	15,177,678	13,911,408	91.66%	-	13,911,408	91.66%

Source: San Benito Independent School District Annual Financial and Compliance Reports, Exhibit J-1

SCHEDULE 11
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
ALLOCATION OF PROPERTY TAX RATES AND LEVIES

LAST TEN YEARS

(Unaudited)

	Tax Rates (Per $100 of Assessed Value)			Tax Levies		
Fiscal Year	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2011	$ 1.170000	$ 0.134900	$ 1.304900	$ 9,514,637.44	$ 1,097,029.56	$ 10,611,667
2012	1.170000	0.134900	1.304900	9,554,911.83	1,101,673.17	10,656,585
2013	1.170000	0.134900	1.304900	9,786,802.08	1,128,409.92	10,915,212
2014	1.170000	0.134900	1.304900	10,043,691.91	1,158,029.09	11,201,721
2015	1.170000	0.134900	1.304900	10,343,318.25	1,192,575.75	11,535,894
2016	1.170000	0.134900	1.304900	10,320,057.22	1,189,893.78	11,509,951
2017	1.170000	0.134900	1.304900	11,055,165.83	1,274,651.17	12,329,817
2018	1.170000	0.134900	1.304900	11,659,624.29	1,344,344.71	13,003,969
2019	1.170000	0.134900	1.304900	12,589,967.01	1,451,612.44	14,041,579
2019	1.170000	0.134900	1.304900	1,414,578.68	163,099.71	1,577,678

Source: San Benito Independent School District Annual Financial and Compliance Reports

Note: The basis for the property tax rate is $100 assessed valuation.

SCHEDULE 12
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 ASSESSED VALUATION)

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Year	Direct Tax Rate: San Benito Consolidated Independent School District	Overlapping Tax Rates: South Texas ISD	City of San Benito	Cameron County	Total Direct and Overlapping Tax Rate
2011	2010	$ 1.304900	$ 0.049200	$ 0.688125	$ 0.364291	$ 2.406516
2012	2011	1.304900	0.049200	0.688125	0.842910	2.885135
2013	2012	1.304900	0.049200	0.728125	0.384291	2.466516
2014	2013	1.304900	0.049200	0.728125	0.384291	2.466516
2015	2014	1.304900	0.049200	0.728125	0.399291	2.481516
2016	2015	1.304900	0.049200	0.728125	0.399291	2.481516
2017	2016	1.304900	0.049200	0.728125	0.407743	2.489968
2018	2017	1.304900	0.049200	0.728125	0.410803	2.493028
2019	2018	1.304900	0.049200	0.728125	0.416893	2.499118
2020	2019	1.304900	0.049200	0.728125	0.436893	2.519118

Source: Tony Yzaguirre, Jr., Tax Assessor-Collector and San Benito, Texas

SCHEDULE 13
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS PRIOR

(Unaudited)

		Fiscal Year 2020	
Taxpayer	Type of Business	Tax Year 2020 Assessed Valuation	Percentage of Total Assessed Valuation
AEP Texas Central Co.	Electric Company	$ 72,956,822	3.42%
AEP Texas Central Co.	Electric Company	18,416,856	3.42%
Panasonic Automotive Electornics	Industrial and Manufacturing	137,478,755	0.98%
Sharyland Utilite LP	Electric Company	10,284,710	1.30%
Wal-Mart Sotres East Inc.	Commercial Real Property	7,861,029	0.57%
Finsa/Har-Vest LTD	Industrial and Manufacturing	6,544,744	0.64%
H E Butt Grovery Co.	Commercial Real Property	6,382,883	0.56%
MHC Fun N Sun LLC	Commercial Personal Property	5,571,768	0.53%
Finsa/Har-Vest II LTD	Industrial and Manufacturing	5,370,684	0.53%
Villages at Paso Real LP	Industrial and Manufacturing	5,200,050	0.51%
Totals		$ 276,068,301	12.45%

Source: Cameron County Appraisal District

Fiscal Year 2010		
	Tax Year 2010 Assessed Valuation	Percentage of Total Assessed Valuation
$	20,087,590	2.58%
	20,087,590	2.58%
	-	0.89%
	-	0.87%
	5,818,604	0.75%
	6,438,703	0.78%
	-	0.52%
	-	0.00%
	5,148,441	0.83%
	-	0.00%
$	222,461,520	9.78%

SCHEDULE 14
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds	Refunding Bonds	Notes Payable	Capital Appreciation Bonds	Net Pension Liability	Compensated Absences	Capital Leases	Total Debt
2011	$ 102,030,000	$ 795,421	$ 611,579	$ 761,045	$ -	$ 1,108,050	$ 106,622	$ 105,412,717
2012	96,940,000	497,254	466,449	1,496,045	-	1,086,285	-	100,486,033
2013	92,660,000	3,436,769	316,801	1,285,000	-	1,005,345	-	98,703,915
2014	88,035,000	3,227,759	161,961	1,185,000	-	976,170	-	93,585,890
2015	82,035,000	5,198,956	-	710,000	11,408,272	1,044,712	-	100,396,940
2016	76,850,000	8,090,666	-	540,000	23,390,674	1,418,850	-	110,290,190
2017	69,665,000	6,998,860	-	1,045,311	23,460,444	1,112,612	2,615,000	104,897,227
2018	65,735,000	5,907,054	-	-	56,485,451	1,931,221	3,566,947	133,625,673
2019	90,150,000	7,673,179	-	-	80,249,892	2,650,273	5,169,784	185,893,128
2020	96,620,000	7,200,104	-	-	75,128,359	6,738,134	2,456,878	188,143,475

Ratio of Total Debt to Estimated Actual Property Value	Total Debt Per Average Daily Membership
8.83%	$ 11,351
8.31%	11,373
8.07%	11,160
7.11%	11,010
7.54%	11,018
7.79%	10,885
7.03%	10,621
8.74%	9,359
11.10%	9,411
10.47%	9,183

SCHEDULE 16
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014	2015
Assessed Valuation	$ 828,448,406	$ 838,322,189	$ 850,768,778	$ 872,203,176	$ 896,741,770
Debt Limit - 10% of Assessed Valuation	$ 82,844,841	$ 83,832,219	$ 85,076,878	$ 87,220,318	$ 89,674,177
General Obligation Bonds	102,791,045	98,436,045	93,945,000	89,220,000	79,680,000
Deduct Amount Available in Debt Service Fund	-	-	-	-	-
Applicable Debt	102,791,045	98,436,045	93,945,000	89,220,000	79,680,000
Legal Debt Margin	$ (19,946,204)	$ (14,603,826)	$ (8,868,122)	$ (1,999,682)	$ 9,994,177
Debt Margin as a Percentage of the Debt Limit	-24.08%	-17.42%	-10.42%	-2.29%	11.14%

Source: San Benito Consolidated Indpendent School District Annual Financial and Compliance Reports

2016	2017	2018	2019	2020
$ 894,030,028	$ 963,755,238	$ 1,019,364,579	$ 1,096,082,895	$ 1,190,253,719
$ 89,403,003	$ 96,375,524	$ 101,936,458	$ 109,608,290	$ 119,025,372
74,005,000	70,105,000	65,735,000	90,150,000	96,620,000
-	553,097	888,079	714,382	-
74,005,000	69,551,903	64,846,921	89,435,618	96,620,000
$ 15,398,003	$ 26,823,621	$ 37,089,537	$ 20,172,672	$ 22,405,372
17.22%	27.83%	36.38%	18.40%	18.82%

SCHEDULE 17
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ESTIMATED ACTUAL VALUE AND
PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Membership	Estimated Actual Value	Total Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Average Daily Membership
2009	$ 10,983	$ 775,765,108	$ 110,812,569	$ 2,164,634	$ 108,647,935	14.01%	$ 9,892.37
2010	11,193	808,526,943	107,596,045	1,407,810	106,188,235	13.13%	9,487.02
2011	11,351	828,448,406	102,791,045	-	102,791,045	12.41%	9,055.68
2012	11,373	838,322,189	98,436,045	-	98,436,045	11.74%	8,655.24
2013	11,160	850,768,778	93,945,000	-	93,945,000	11.04%	8,418.01
2014	11,010	872,203,176	89,220,000	-	89,220,000	10.23%	8,103.54
2015	11,018	896,741,770	79,680,000	-	79,680,000	8.89%	7,231.80
2016	10,885	894,030,028	74,005,000	-	74,005,000	8.28%	6,798.81
2017	10,621	963,755,238	70,105,000	553,097	69,551,903	7.22%	6,548.53
2018	9,359	1,019,364,579	65,735,000	888,079	64,846,921	6.36%	6,928.83
2019	9,411	1,096,082,895	90,150,000	714,382	89,435,618	8.16%	9,503.51
2020	9,183	1,190,253,719	96,620,000	-	96,620,000	8.12%	10,521.35

Note: Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note: Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population

SCHEDULE 18
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Principal	Interest*	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To General Fund Expenditures
2011	$ 5,113,488	$ 4,816,843	$ 9,930,331	$ 85,920,536	11.56%
2012	4,525,130	4,244,194	8,769,324	84,004,457	10.44%
2013	4,769,880	4,006,848	8,776,728	90,101,185	9.74%
2014	4,879,840	3,898,489	8,778,329	94,059,256	9.33%
2015	5,181,961	3,370,744	8,552,705	101,235,861	8.45%
2016	4,660,000	3,709,135	8,369,135	96,437,850	8.68%
2017	5,130,000	2,945,638	8,075,638	100,364,415	8.05%
2018	5,024,721	2,115,941	7,140,662	103,563,205	6.89%
2019	4,015,163	2,741,930	6,757,093	115,917,726	5.83%
2020	4,050,677	3,820,293	7,870,970	119,346,692	6.60%

SCHEDULE 20
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
CONSTRUCTION AND PROPERTY VALUES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Number of Permits	Construction Value	Total Property Value
2011	693	$ 14,959,785	$ 1,194,012,675
2012	645	22,003,368	1,209,420,891
2013	603	21,533,986	1,223,694,966
2014	774	16,036,882	1,316,228,782
2015	796	16,258,904	1,330,948,143
2016	662	22,895,884	1,415,950,934
2017	756	15,944,419	1,493,119,651
2018	928	24,823,141	1,528,190,023
2019	670	32,710,148	1,796,776,687
2020	963	43,047,628	1,800,378,785

Source: Cameron Appraisal District Certified Entity Totals Report

SCHEDULE 22

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

Classification	2011	2012	2013	2014	2015
Number of Employees					
Teachers	714	736	710	749	729
Professional Support	165	172	175	161	181
Campus Administration	39	40	42	41	44
Central Administration	5	8	6	6	7
Educational Aides	189	170	165	3	193
Auxiliary Staff	522	535	518	693	563
Total Employees	1,633	1,660	1,615	1,652	1,717
Percent of Total					
Teachers	43.7%	44.3%	44.0%	45.3%	42.5%
Professional Support	10.1%	10.3%	10.8%	9.7%	10.5%
Campus Administration	2.4%	2.4%	2.6%	2.5%	2.6%
Central Administration	0.3%	0.5%	0.4%	0.4%	0.4%
Educational Aides	11.6%	10.2%	10.2%	0.2%	11.2%
Auxiliary Staff	31.9%	32.2%	32.0%	41.9%	32.8%
	100.00%	100.00%	100.00%	100.00%	100.00%

Source: TAPR Report & School District's Hiring Schedule

2016	2017	2018	2019	2020
685	680	666	671	695
163	189	176	185	154
43	40	53	49	46
7	6	5	4	10
187	167	175	176	197
513	535	538	584	558
1,598	1,617	1,613	1,668	1,660
42.9%	42.05%	41.3%	40.2%	41.9%
10.2%	11.69%	10.9%	11.1%	9.3%
2.7%	2.47%	3.3%	2.9%	2.8%
0.4%	0.37%	0.3%	0.2%	0.6%
11.7%	10.33%	10.8%	10.5%	11.9%
32.1%	33.09%	33.4%	35.0%	33.6%
100.00%	100.00%	100.00%	100.00%	100.00%

SCHEDULE 23
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF TEACHER INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Bachelor's Degree Minimum	Bachelor's Degree Maximum	Average Teacher Salary	Average Years of Experience	Bachelor's Education	Master's Education
2011	$ 39,000	$ 55,140	$ 46,844	13.2	86.0%	12.8%
2012	39,000	55,140	46,035	12.6	86.2%	12.3%
2013	39,000	55,074	45,847	13.0	86.1%	12.3%
2014	39,000	55,074	47,384	12.3	86.8%	11.9%
2015	39,000	55,074	46,791	11.9	87.1%	11.1%
2016	42,500	55,514	49,157	12.0	83.7%	15.0%
2017	42,500	55,514	48,144	11.8	85.0%	13.4%
2018	46,500	57,878	48,144	11.8	85.0%	13.4%
2019	47,500	61,101	52,638	11.8	85.0%	13.4%
2020	48,500	63,210	54,473	12.2	83.1%	16.3%

Source: TAPR Report & School District's Hiring Schedule

Note: Min & Max salaries are based on the SBCISD Hiring Schedule from each applicable year.
Bachelor's minimum and maximum is with +15 Hours of Graduate Work.
Minimum and maximum are based on zero years of experience to 25+ years.

Avg. Teacher Salary, Avg. Years of Experience, % of Bachelor Education and
% of Master's Education are based on TAPR reports.
Minimum and maximum are based on zero years of experience to 25+ years.

SCHEDULE 24
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Average Daily Membership	Percent of Attendance
2011	11,351	11,351	95.3%
2012	11,373	11,373	95.5%
2013	11,160	11,160	95.3%
2014	11,010	11,010	95.3%
2015	11,018	11,018	95.3%
2016	10,885	10,885	95.3%
2017	10,621	10,621	94.8%
2018	9,359	9,359	94.0%
2019	9,411	9,411	94.0%
2020	9,183	10,277	89.4%

Percentage of Attendance was calculated by dividing Average Daily Attendance by Average Daily Membership

Average Daily Membership is our Peak Number of Students annually

SCHEDULE 25
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost per Pupil	Percent Change	Operating Expenses	Cost per Pupil	Percent Change
2011	11,351	$ 106,653,086	$ 9,396	-1.92%	$ 115,240,696	$ 10,152	4.81%
2012	11,373	100,720,028	8,856	-5.75%	109,276,811	9,608	4.17%
2013	11,160	103,708,279	9,293	4.93%	113,752,389	10,193	1.63%
2014	11,010	106,973,736	9,716	4.55%	122,307,343	11,109	8.99%
2015	11,018	113,531,309	10,304	6.57%	115,892,552	10,518	3.80%
2016	10,885	108,232,929	9,943	-3.50%	118,490,153	10,886	3.49%
2017	10,621	115,595,390	10,884	3.58%	122,168,545	11,503	5.67%
2018	9,359	116,111,826	12,406	3.58%	102,889,021	10,994	-4.42%
2019	9,411	129,597,299	13,771	3.58%	140,171,813	14,895	35.49%
2019	9,183	131,694,080	14,341	3.58%	154,326,514	16,805	12.83%

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports.

SCHEDULE 26
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STUDENT INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Teacher / Student Ratio	No. of Economically Disadvantaged Students	Percentage of Economically Disadvantaged Students
2011	15.9	9,290	81.8%
2012	15.4	9,425	82.9%
2013	15.7	9,359	83.9%
2014	14.7	9,136	83.0%
2015	15.1	8,431	76.5%
2016	15.9	8,846	81.3%
2017	15.6	8,943	84.2%
2018	15.7	8,748	83.6%
2019	15.7	9,305	83.6%
2020	14.7	8,913	87.0%

Source: Academic Excellence Indicator System (AEIS) & PEIMS.
Estimated %age of Free and Reduce Lunch is based on our Food Services Dept.

SCHEDULE 27
SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDINGS

(Unaudited)

	Estimated Square Footage	Recommended Capacity
HIGH SCHOOLS		
SAN BENITO HIGH SCHOOL	342,270	2,700
VETERANS MEMORIAL ACADEMY	387,109	925
TOTAL	729,379	3,625
MIDDLE SCHOOLS		
BERTA CABAZA MIDDLE SCHOOL	163,423	1,125
MILLER JORDAN MIDDLE SCHOOL	132,483	1,275
RIVERSIDE MIDDLE SCHOOL	148,771	1,075
TOTAL	444,677	3,475
SPECIAL CAMPUSES		
GATEWAY TO GRADUATION	96,456	
POSITIVE REDIRECTION CTR	15,927	85
TOTAL	112,383	85

	Estimated Square Footage	Recommended Capacity
ELEMENTARY SCHOOLS		
ANGELA G. LEAL	75,027	765
DR. C.M. CASH	79,369	748
DR. RAUL GARZA	81,149	726
ED DOWNS	75,904	770
FRANK ROBERTS	58,888	462
FRED BOOTH	74,926	704
JUDGE OSCAR DELAFUENTE	71,792	594
LA ENCANTADA	70,682	660
LA PALOMA	67,120	704
LANDRUM	75,847	506
RANGERVILLE	61,248	528
SULLIVAN	82,111	616
TOTAL	874,063	7,783

	Estimated Square Footage	Recommended Capacity
ADMINISTRATION BUILDING	27,903	250
UTEX BUILDING	106,877	1,025
OLD B/C BUILDING	97,120	1,000
FACE BUILDING	2,580	30
PEIMS/TECHNOLOGY BUILDING	4,824	100
BOBBY MORROW STADIUM	15,354	10,000
GREYHOUND STADIUM	6,656	5,000
TOTAL	261,314	17,405

Source: HVAC department and Risk Management department

Cascos & Associates, PC
Certified Public Accountants
Audit/Accounting/Tax/Consulting

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*

The Board of Trustees of
San Benito Consolidated Independent School District
San Benito, 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 San Benito Consolidated Independent School District (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise San Benito Consolidated Independent School District's basic financial statements, and have issued our report thereon dated January 19, 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cascos & Associates, PC
Brownsville, Texas
January 19, 2021

Cascos & Associates, PC
Certified Public Accountants
Audit/Accounting/Tax/Consulting

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

The Board of Trustees of
San Benito Consolidated Independent School District
San Benito, Texas

Report on Compliance for Each Major Federal Program

We have audited San Benito Consolidated Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

Cascos & Associates, PC
Brownsville, Texas
January 19, 2021

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

(1) Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(2) Federal CFDA No.	(3) Pass-Through Entity Identifying No.	(3) Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
Direct Programs			
J.R.O.T.C.	12.000	JROTC174S	$ 67,956
Total CFDA No. 12.000			67,956
Total U.S. Department of Defense			67,956
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency:			
ESEA, Title I, Part A-Improving Basic Programs	84.010A	19-610101031912	971,205
ESEA, Title I, Part A-Improving Basic Programs	84.010A	20-610101031912	4,715,485
Title I, Part D, Subpart 2-Delinquent Programs	84.010A	19-610103031912	26,580
Title I, Part D, Subpart 2-Del	84.010A	20-610103031912	143,445
Title I, 1003 School Improvement	84.010A	19-610141031912	478
Title I, 1003 School Improvement	84.010A	20-610141031912	137,524
Total CFDA No. 84.010A			5,994,717
Title 1, Part C - Migrant	84.011A	19-615001031912	446,531
Title 1, Part C - Migrant	84.011A	20-615001031912	934,733
Total CFDA No. 84.011A			1,381,264
SSA IDEA Part B Formula	84.027A	20-6600010319126600	2,009,637
SSA IDEA Part B PreSchool	84.173A	19-6610010319126610	12,794
SSA IDEA Part B PreSchool	84.173A	20-6610010319126610	34,901
Total Special Education Cluster (IDEA)			2,057,332
2019-2020 Perkins Reserve	84.048A	20-4200287110078	30,000
Carl D. Perkins Basic Formula	84.048A	19-420006031912	10,271
Carl D. Perkins Basic Formula	84.048A	20-420006031912	228,640
Total CFDA No. 84.048A			268,911
Title IV Part B 21st Century Community Learning Centers	84.287C	20-6950247110025	1,444,770
Title III Part A English Language Acquisition	84.365A	20-671001031912	162,886
ESEA Title II Pt A-Teacher & Principal Training & Recruitment	84.367A	19-694501031912	145,627
ESEA Title II Pt A-Teacher & Principal Training & Recruitment	84.367A	20-694501031912	373,290
Total CFDA No. 84.367A			518,917
COVID-19 - ESSER Grant	84.425D	21-52102001031912	1,932,006
Title IV, Part A-Subpart 1	84.424A	19-680101031912	120,663
Title IV, Part A-Subpart 1	84.424A	20-680101031912	297,061
Total CFDA No. 84.424A			417,724
Total Passed Through Texas Education Agency			14,178,527
Passed Through Region One Education Service Center:			
GEAR UP Ready, Set, College	84.334	P334A110180-16	64,739
GEAR UP Ready, Set, College	84.334	P334A110180-16	242,492
Total CFDA No. 84.334			307,231
Project Rise	84.374	U374A160002-16A	153,552
Total Passed Through Region One Education Service Center			460,783
Total U.S. Department of Education			14,639,310

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

(1) Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(2) Federal CFDA No.	(3) Pass-Through Entity Identifying No.	(3) Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of Human Services:			
Medicaid Administative Claiming Program - MAC	93.778	N/A	63,760
Total Passed Through Texas Department of Human Services			63,760
Total U.S. Department of Health and Human Services			63,760
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Education Agency:			
National School Breakfast Program [1, 2]	10.553	71402001	2,427,118
National School Lunch Program [1, 2]	10.555	71302001	5,449,213
Total Passed Through Texas Education Agency			7,876,331
Passed Through Texas Department of Agriculture:			
Commodity Supplemental Food Program [1, 2]	10.565	71301901	616,292
Fresh Fruit & Vegetable Program [1]	10.582	#00157	92,614
Total Passed Through Texas Department of Agriculture			708,906
Total U.S. Department of Agriculture			8,585,237
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 23,356,263

[1] $2,427,118 of the School Breakfast Program, $5,449,213 of the National School Lunch Program, $616,292 of the Commodity Supplemental Food Program, and $92,614 of the Fresh Fruit & Vegetable Program is reported in the General Fund.

[2] Total Child Nutrition Cluster - $7,876,331

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of San Benito Consolidated Independent School District (the "District"). The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

In accordance with TEA instructions, federal funds for the School Health and Related Services (SHARS) have been excluded from the Schedule of Expenditures of Federal Awards.

Federal program revenues for R.O.T.C, the Child Nutrition Cluster, School Health and Related Service (SHARS), Medicaid Administrative Claims (MAC), and reimbursement of indirect costs are reported in the General Fund. All other federal programs are accounted for and reported in Special Revenue Funds.

2. BASIS OF ACCOUNTING AND PRESENTATION

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The District's significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements.

The Schedule of Expenditures of Federal Awards is presented in accordance with the 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). Therefore, some of the amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the District were provided to subrecipients.

4. INDIRECT COSTS

The District has received a negotiated indirect cost rate from TEA and may not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

5. RECONCILIATION

The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the year ended June 30, 2020.

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance-Government Funds (Exhibit C-3)	$ 25,900,360
Less:	
SHARS	1,602,476
Other Federal Awards	941,621
Federal expenditures	$ 23,356,263

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

I. Summary of the Auditors' Results:

Financial Statements

The type of auditors' report on financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to the basic financial statements	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	2020-001
Type of auditors' report on compliance with major programs:	Unmodified
Any audit findings which are required to be reported in accordance with 2CFR 200.516(a)?	No
Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Low risk auditee:	No

Identification of major programs:

CFDA Numbers:	Name of Federal Program or Cluster
10.553 & 10.555	Child Nutrition Cluster: School Breakfast Program (SBP) & National School Lunch Program (NSLP)
10.565	Food Distribution Cluster: Commodity Supplemental Food Program
84.011	Migrant Education-State Grant Program (Title I, Part C of ESEA)

II. Financial Statement Findings

None

SAN BENITO SCHOOLS

Vicki Perez
Interim Assistant Superintendent of Finance & Operations

Board of Trustees

Orlando López
President

Sonia Weaver
Vice-President

Janie G. Silva
Secretary

Rudy Corona
Anna Garza Llanes
Janie Lopez
Ramiro M. Moreno

III. Federal Awards Findings and Questioned Costs

Finding 2020-001 ***Equipment and Real Property Management***

Criteria: The District is required to maintain property records that include a description of the property, identification number, source of funding for the property (including the Federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project cost for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.

Condition: The District was unable to provide a listing of assets which specifically identified whether the asset was purchased with federal program funds. The District assets are included in an overall listing of District assets without specific identification.

Cause: The District hired a third-party service provider who conducted an inventory of District assets and tagged items with the third party's respective tag number. The District has also added its own tag number to assets which leaves assets with two sets of tags. During consolidation of both the third party and District equipment inventory listings the identification as to whether the assets were acquired by federal funds was not documented.

Effect: The District is at risk of not being in compliance when disposing of assets purchased with federal funding.

Recommendation: We recommend the District compile an equipment inventory listing that can segregate equipment purchases from specific federal funds with one set of tag numbers so that these types of purchases are clearly identifiable.

Management's Response: The District's financial software (Skyward) has a built-in Fixed Assets module that is still being developed. Product implementation was for March 2020 but, there have been some delays (ex. Coronavirus Pandemic of 2020). Person responsible is Jose E. Cavazos.

It is the policy of the San Benito CISD not to discriminate on the basis of race, color, national origin, gender, or disability in its educational and Career and Technology programs, services or activities as required by Title VI of the Civil Rights Act of 1964.

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SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Finding 2019-001 ***Equipment and Real Property Management***

Criteria: The District is required to maintain property records that include a description of the property, identification number, source of funding for the property (including the Federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project cost for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.

Condition: The District was unable to provide a listing of assets which specifically identified whether the asset was purchased with federal program funds. The District assets are included in an overall listing of District assets without specific identification.

Cause: The District hired a third-party service provider who conducted an inventory of District assets and tagged items with the third party's respective tag number. The District has also added its own tag number to assets which leaves assets with two sets of tags. During consolidation of both the third party and District equipment inventory listings the identification as to whether the assets were acquired by federal funds was not documented.

Effect: The District is at risk of not being in compliance when disposing of assets purchased with federal funding.

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Management's Response: The District's financial software (Skyward) has a built-in Fixes Assets module that is still being developed. Product implementation was for March 2020 but, there have been some delays (ex. Coronavirus Pandemic of 2020). Person responsible is Jose E. Cavazos.

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SCHOOLS FIRST QUESTIONNAIRE

San Benito Consolidated Independent School District — Fiscal Year 2020

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Govenment Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT, TEXAS

COMMENTS, RECOMMENDATIONS
AND RESPONSES

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

January 19, 2021

To the Board of Trustees of
San Benito Consolidated Independent School District

We have audited the basic financial statements of San Benito Consolidated Independent School District, Texas (the "District"), for the year ended June 30, 2020, and have issued our report thereon dated January 19 2021. As part of our examination, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of several matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated January 19, 2021, on the basic financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Yours truly,

Cascos & Associates, PC

765 East 7th Street / Brownsville, Texas 78520
Phone (956) 544-7778 Fax (956) 544-8465
Email: ccascos@cascoscpa.com

SAN BENITO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

COMMENTS, RECOMMENDATIONS, AND RESPONSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CURRENT YEAR COMMENTS

TRIAL BALANCE (ASCII FILE):

Comment:

During the audit, the District was not able to provide a balanced trial balance (ASCII file) on a timely basis. There were many adjustments in the District's Skyward system that were made in order to get it in balance. Some of these entries pertained to a previous audit while others were made due to changes in prior year figures.

Recommendation:

We recommend the District to reconcile on a monthly basis all accounts, and to make sure that what is reported in the books should actually be recorded.

Management Comments:

No comments.

CAPITAL ASSETS:

Comment:

During our testing of capital assets, we became aware that the District has not yet imported all capital assets that were in their previous system into their new system (Skyward). The District informed us of this during the audit, and apparently, the module for fixed assets is still being built. In the prior year, the capital assets that were provided were only the changes that occurred during that year, which were for additions and dispositions. The remaining capital assets from fiscal year 2018 were not provided and their depreciation, accumulated depreciation, and their book value were not kept up to date or rolled forward during the 2019 and 2020 fiscal years. As such, this created a material misstatement in the reporting of capital assets for the 2020 fiscal year. An adjustment was made in order to roll forward the difference.

Recommendation:

We recommend that the District create a separate list of these assets at the moment due to the fixed assets module still not being built in Skyward and make all adjustments in this file. As soon as the fixed assets module is created, the capital assets subsidiary with updated figures should be imported and from then on, make proper adjustments as needed during each fiscal year.

Management Comments:

SBCISD will do as recommended and keep a separate file until Skyward Fixed Assets module is completely migrated.

DUE TO / DUE FROM:

Comment:

During our review of the due to and due from accounts, we found that these accounts were not being properly reconciled between each other for the different activity funds. These items in the aggregate constituted misstatements within the accounts. An adjustment to properly reconcile them between each other was not made.

Recommendation:

We recommend to the District properly reconcile these accounts on a periodic basis (daily, weekly, or monthly) and to account for actual transactions between each of the due to/from accounts.

Management Comments:

SBCISD will be reconciling due to's and due from's on a monthly basis.

SINGLE AUDIT – CFDA 10.565 FOOD DISTRIBUTION CLUSTER:

Comment:

During our tests of compliance under the Uniform Guidance for single audits, we found, based on recommended audit procedures from the Uniform Guidance, the District could not reconcile deductions to entitlement amount for the fiscal year. The client provided the Processor Link and K12 Food Service reports which are used to account for usage and deduct from the total entitlement award. These accounted only for a portion of the usage but did not reconcile to the remainder they had on the report from the Texas Department of Agriculture (TDA), the Weekly Commodity Bulletin.

Recommendation:

We recommend the District's Director of Child Nutrition carefully review these reports for accuracy and accountability of commodities awarded. A reconciliation should be made periodically and any information missing should be communicated to TDA for corrections.

Management Comments:

Child Nutrition department will be coordinating with Texas Department of Agriculture to reconcile commodities on a monthly basis

PRIOR YEAR COMMENTS

CASH DISBURSEMENTS:

Comment:

During our testing of cash disbursements, we found 3 instances out of 60 where a purchase order was issued after the goods or services were received.

Recommendation:

We recommend the District adhere to their policies and procedures for processing purchase orders. These policies and procedures ensure that only authorized purchase occur, that they are recorded prior to receiving the merchandise, and that the original vendor invoice agrees with the purchase order on file.

Current Year Status:

Improvement noted.

PAYROLL:

Comment:

During our payroll testing, we found 24 instances out of 40 where I-9 form was not properly completed section 2 and 4 instances out of 40 where the I-9 form was missing second page.

Recommendation:

We recommend the District review all employee files to ensure all documentation is on file. Federal requirements require that all employees hired after 1986 must complete an employment eligibility verification form (Form I-9).

Current Year Status:

Improvement noted.

CAPITAL ASSETS:

Comment:

During our capital assets testing, we found that the District's capital assets is not being updated correctly and in a timely manner.

Recommendation:

We recommend the District review, update and maintain their capital asset schedule so that it reconciles and agrees to the District's ledger.

Current Year Status:

District has not yet imported all capital assets from 2018 into their new Skyward system in order to properly update depreciation, accumulated depreciation, and book value. See also current year comments at the top.

****

We appreciate the opportunity to be of service to San Benito Consolidated Independent School District. If you should have any questions or require further information, please do not hesitate to call.