

# **Garza/Gonzalez & Associates**

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CERTIFIED PUBLIC ACCOUNTANTS

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## **CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

Carrizo Springs, Texas

### **ANNUAL FINANCIAL AND COMPLIANCE REPORT**

For the Year Ended August 31, 2021

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CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For The Year Ended August 31, 2021

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CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For the Year Ended August 31, 2021

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## **INTRODUCTORY SECTION**

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CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT

DIMMIT

064903

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Name of School District

County

Co. Dist. Number

We, the undersigned, do hereby certify that the attached annual financial reports of the above-named school district was reviewed and  approved  disapproved for the year ended August 31, 2021 at a meeting of the board of trustees of such school district on the 25th day of January, 2022.



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Signature of Board Secretary



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Signature of Board President

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

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## **FINANCIAL SECTION**

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# Garza/Gonzalez & Associates

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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Board of School Trustees  
Carrizo Springs Consolidated Independent School District  
Carrizo Springs, Texas

### **Report on the Financial Statements**

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

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

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

#### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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, the budgetary comparison information for the general fund, and the Teacher Retirement System pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *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 financial statements and the required Texas Education Agency (TEA) schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Linda J. Gonzalez" above "CPA, CISA, CIA". The signature is fluid and cursive.

January 7, 2022

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## **CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Carrizo Springs Consolidated Independent School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance for the fiscal year ended August 31, 2021. Please read it in conjunction with the Independent Auditor's Report and the District's Basic Financial Statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position at August 31, 2021 was \$42.8 million. The total net position decreased by \$3.3 million from the previous year.
- Expenses were \$3.3 million more than the \$78.6 million generated in taxes and other revenues for the governmental activities (all funds, including grants).
- The General Fund ended the year with a fund balance of \$20.3 million. A decrease of \$1.38 million from the previous year.

### **USING THIS ANNUAL REPORT**

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

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

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

#### **Reporting the District as a Whole**

##### ***The Statement of Net Position and the Statement of Activities***

The primary purpose of the Statement of Net Position and the Statement of Activities is to show whether the District's financial standing is improving or worsening as a result of the year's activities

## **CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

The statement of Net Position includes all the District's assets plus outflows minus liabilities plus inflows at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the same basis of accounting as used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students outside the District (currently, the District has no tuition income) and grants provided from the U.S. Department of Education and other Federal Agencies to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers (in the form of local property taxes) or by the Texas Education Agency (TEA) in equalization funding processes (general revenues).

All the District's assets and deferred outflows are reported whether they serve the current year or future years. Liabilities and deferred inflows are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in those net positions. The District's net position (the difference between assets plus outflows minus liabilities plus inflows) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance (ADA), its property tax bases and the condition of the District's facilities.

The government-wide financial statements of the District are primarily supported by taxes and intergovernmental revenues. The governmental activities of the District include: instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration.

### **Reporting the District's Most Significant Funds**

#### ***Fund Financial Statements***

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

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

## **CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Proprietary funds** – The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the statement of net position and the statement of activities. Currently, the District does not have resources segregated as proprietary funds.

**Custodial funds** – Custodial funds are used to account for resources held for the benefit of students and for a scholarship fund. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

### ***Financial Analysis of the District as a Whole***

Our analysis focuses on the net position (Table I) and changes in the net position (Table II) of the District's governmental activities in the following pages.

Combined net position of the District is approximately \$42.8 million at August 31, 2021. See Table 1 below:

**Table I  
NET POSITION  
(in thousands)**

|   | Governmental<br>Activities 2021 | Governmental<br>Activities 2020 | Percent<br>Change<br>(%) |
|---|---------------------------------|---------------------------------|--------------------------|
| Current Assets                            | \$ 34,099                       | \$ 32,309                       | 6%                       |
| Capital Assets                            | 71,073                          | 74,345                          | (4%)                     |
| Total Assets                              | 105,262                         | 106,654                         | (1%)                     |
|   |                                 |                                 |                          |
| Deferred Outflows of Resources            | 7,109                           | 6,468                           | 10%                      |
| Total Deferred Outflow of Resources       | 7,109                           | 6,468                           | 10%                      |
|   |                                 |                                 |                          |
| Current Liabilities                       | \$ 7,163                        | \$ 2,144                        | 234%                     |
| Long-term Liabilities                     | 55,440                          | 59,084                          | (7%)                     |
| Total Liabilities                         | 62,603                          | 61,228                          | 2.2%                     |
|   |                                 |                                 |                          |
| Deferred Inflows of Resources             | 6,842                           | 5,721                           | 20%                      |
|   |                                 |                                 |                          |
| Net Investment in Capital Assets          | 30,726                          | 34,113                          | 6%                       |
| Restricted for Federal and State Programs | 436                             | 546                             | (20%)                    |
| Restricted for Capital Projects           | 2,386                           | 2,290                           | 4%                       |
| Unrestricted Net Position                 | 9,288                           | 9,224                           | (13%)                    |
| Total Net Position                        | \$ 42,826                       | \$ 46,173                       | (7%)                     |

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Combined total revenues of the District were \$78.6 million and combined expenses were \$81.9 million at August 31, 2021. See Table II below.

**Table II  
CHANGES IN NET POSITION  
(in thousands)**

|  | Governmental<br>Activities 2021 | Governmental<br>Activities 2020 | Percent<br>Change<br>(%) |
|--|---------------------------------|---------------------------------|--------------------------|
| <b>Revenues</b>  |                                 |                                 |                          |
| Program Revenues   |                                 |                                 |                          |
| Charges for Services   | \$ 512                          | \$ 250                          | 104%                     |
| Operating Grants and Contributions                               | 6,058                           | 6,489                           | (6%)                     |
| General Revenues   |                                 |                                 |                          |
| Maintenance and Operation Taxes                                  | 65,676                          | 69,697                          | (6%)                     |
| Debt Service Taxes   | 2,967                           | 3,230                           | (8%)                     |
| Grants and Contributions not Restricted to<br>Specific Functions | 3,318                           | 3,582                           | (10%)                    |
| Investment Earnings  | 96                              | 820                             | (88%)                    |
| Miscellaneous  | -                               | 629                             | (100%)                   |
| Extraordinary Item   | -                               | 2,380                           | (100%)                   |
| Total Revenue  | <u>78,627</u>                   | <u>87,077</u>                   | (10%)                    |
| <b>Expenses</b>  |                                 |                                 |                          |
| Instruction  | 15,785                          | 16,138                          | (2%)                     |
| Instruction Resources and Media Services                         | 409                             | 520                             | (21%)                    |
| Curriculum and Instructional Staff Development                   | 536                             | 613                             | (13%)                    |
| Instructional Leadership   | 833                             | 972                             | (14%)                    |
| School Leadership  | 1,635                           | 1,697                           | (4%)                     |
| Guidance Counseling & Evaluation Services                        | 690                             | 794                             | (13%)                    |
| Social Work Services   | 75                              | 67                              | 12%                      |
| Health Services  | 245                             | 264                             | (7%)                     |
| Student (Pupil) Transportation                                   | 1,017                           | 1,280                           | (21%)                    |
| Food Services  | 2,256                           | 2,550                           | (12%)                    |
| Extracurricular Activities                                       | 2,358                           | 1,989                           | 19%                      |
| General Administration   | 1,463                           | 1,364                           | 7%                       |
| Facilities Maintenance and Operations                            | 3,385                           | 3,738                           | (9%)                     |
| Security and Monitoring Services                                 | 460                             | 379                             | 21%                      |
| Data Processing Services   | 636                             | 709                             | (10%)                    |
| Community Services   | 60                              | 102                             | (41%)                    |
| Debt Service-Interest and Issuance Cost & Fees                   | 1,359                           | 3,221                           | (58%)                    |
| Contracted Instructional Services between Schools                | 48,070                          | 49,927                          | (4%)                     |
| Payments Related to Shared Services Arrangements                 | 57                              | 53                              | 8%                       |
| Other Intergovernmental Payments                                 | 634                             | 619                             | 2%                       |
| Total Expenses   | <u>81,963</u>                   | <u>86,996</u>                   | (6%)                     |
| Total Change in Net Position                                     | (3,336)                         | 81                              | (390%)                   |
| Net Position – Beginning   | <u>46,173</u>                   | <u>46,092</u>                   | 0.1%                     |
| Net Position – Ending  | <u>\$ 42,836</u>                | <u>\$ 46,173</u>                | (7%)                     |

## **CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

The District's total revenues were \$78.6 million. A significant portion, 95%, of the District's revenues came from Maintenance and Operation Taxes, and 4% came from federal program grants. The total cost of all programs and services was \$81.9 million; of these costs, the largest was recapture payments (Chapter 41) 58.7%.

The district has ended the year with an estimated decrease in net position of \$3.3million.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### Capital Assets

At the end of 2021, the District had \$71.0 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a decrease of .4% from last year primarily due to depreciation. See Table III below. For capital asset activity, please refer to Note D of the notes to the financial statements.

**Table III  
CAPITAL ASSETS**  
(in thousands)

|                            | Governmental<br>Activities 2021 | Governmental<br>Activities 2020 | Percent<br>Change (%) |
|----------------------------|---------------------------------|---------------------------------|-----------------------|
| Land & Land Improvements   | \$ 973                          | \$ 726                          | 34%                   |
| Buildings and Improvements | 123,755                         | 123,755                         | 0%                    |
| Furniture and Equipment    | 6,601                           | 6,320                           | 4%                    |
| Construction in Progress   | -                               | -                               | -                     |
| Totals at Historical Costs | 131,329                         | 130,801                         | 0.4%                  |
| Accumulated Depreciation   | (60,257)                        | (56,456)                        | 7%                    |
| Total Net Capital Assets   | \$ 71,072                       | \$ 74,345                       | (4%)                  |

#### Debt Administration

At year-end, the District had \$42.8 million in bonds outstanding versus \$38.9 million last year. See Table IV below. For detailed information of the District's long-term debt refer to Note K of the notes to the financial statements. The District's general obligation bond rating is Moody Rating A1.

**Table IV  
THE DISTRICT'S LONG-TERM DEBT**  
(in thousands)

|                         | 2021      | 2020      | Percent<br>Change (%) |
|-------------------------|-----------|-----------|-----------------------|
| General Obligation Debt | \$ 42,882 | \$ 38,980 | 10%                   |
| Total Long-Term Debt    | \$ 42,882 | \$ 38,980 | 10%                   |

## **CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

Carrizo Springs Consolidated Independent School District's 2020-2021 Maintenance & Operations tax rate was approved at \$0.9764 and the Debt Service tax rate was approved at \$.0442 for a total rate of \$1.020.

The District experienced a slight decline in enrollment and is estimating the enrollment to stabilize for the 2022-2023 school year.

The District collected 99.94 % of the estimated tax collections for fiscal year 2020-2021.

The appraised property values are expected to have a slight increase for the 2021-2022 school year. The Chapter 41 recapture obligations will increase. The recapture obligations to tax collections will increase approximately by 1% to the state.

The District is studying the opportunity to call a bond election by the February 2022 deadline.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report, or need additional information, contact the District's Business Office at Carrizo Springs CISD, 300 N. 7<sup>th</sup> Street, Carrizo Springs, Texas 78834.

## **Basic Financial Statements**

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## **Government-Wide Financial Statements**

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2021**

EXHIBIT A-1

|   | Primary Government         |
|---|----------------------------|
|   | Governmental<br>Activities |
| <b>Data</b>   |                            |
| Control   |                            |
| Codes   |                            |
| <b>ASSEIS</b>                                       |                            |
| 1110 Cash and Cash Equivalents                      | \$ 26,834,472              |
| 1225 Property Taxes Receivable, Net                 | 5,124,296                  |
| 1240 Due from Other Governments                     | 1,771,952                  |
| 1290 Other Receivables, Net                         | 150,091                    |
| 1300 Inventories                                    | 182,133                    |
| 1410 Prepayments                                    | 10,630                     |
| 1490 Other Current Assets                           | 25,431                     |
| Capital Assets:                                     |                            |
| 1510 Land   | 973,160                    |
| 1520 Buildings, Net                                 | 68,719,160                 |
| 1530 Furniture and Equipment, Net                   | 1,380,803                  |
| 1000 Total Assets                                   | 105,172,128                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                            |
| 1701 Deferred Charge for Refunding                  | 2,534,935                  |
| 1705 Deferred Outflow Related to TRS Pension        | 2,840,612                  |
| 1706 Deferred Outflow Related to TRS OPEB           | 1,734,378                  |
| 1700 Total Deferred Outflows of Resources           | 7,109,925                  |
| <b>LIABILITIES</b>                                  |                            |
| 2110 Accounts Payable                               | 390,244                    |
| 2140 Interest Payable                               | 53,348                     |
| 2150 Payroll Deductions and Withholdings            | 8,708                      |
| 2160 Accrued Wages Payable                          | 862,766                    |
| 2180 Due to Other Governments                       | 3,055,489                  |
| 2200 Accrued Expenses                               | 29,371                     |
| 2300 Unearned Revenue                               | 982,913                    |
| Noncurrent Liabilities:                             |                            |
| 2501 Due Within One Year: Loans, Note, Leases, etc. | 1,780,000                  |
| Due in More than One Year:                          |                            |
| 2502 Bonds, Notes, Leases, etc.                     | 41,102,219                 |
| 2540 Net Pension Liability (District's Share)       | 6,886,929                  |
| 2545 Net OPEB Liability (District's Share)          | 7,451,211                  |
| 2000 Total Liabilities                              | 62,603,198                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                            |
| 2605 Deferred Inflow Related to TRS Pension         | 1,386,036                  |
| 2606 Deferred Inflow Related to TRS OPEB            | 5,456,196                  |
| 2600 Total Deferred Inflows of Resources            | 6,842,232                  |
| <b>NET POSITION</b>                                 |                            |
| 3200 Net Investment in Capital Assets               | 30,725,839                 |
| Restricted:   |                            |
| 3820 Restricted for Federal and State Programs      | 436,596                    |
| 3860 Restricted for Capital Projects                | 2,386,154                  |
| 3900 Unrestricted                                   | 9,288,034                  |
| 3000 Total Net Position                             | \$ 42,836,623              |

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

**CARRIZO SPRINGS CONSOLIDATED ISD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2021**

| Data<br>Control<br>Codes                             | 1   | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in Net<br>Position |  |
|--|---|-------------------------|--|--|--|--|
|  |   | 3                       | 4  | 6  |  |  |
|  |   | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Primary Gov.<br>Governmental<br>Activities |  |  |
| <b>Primary Government:</b>                           |   |                         |  |  |  |  |
| GOVERNMENTAL ACTIVITIES:                             |   |                         |  |  |  |  |
| 11 Instruction                                       | \$ 15,785,033                               | \$ 7,370                | \$ 2,704,966                             | \$ (13,072,697)                            |  |  |
| 12 Instructional Resources and Media Services        | 409,312                                     | -                       | -  | (409,312)                                  |  |  |
| 13 Curriculum and Instructional Staff Development    | 536,496                                     | -                       | 319,667                                  | (216,829)                                  |  |  |
| 21 Instructional Leadership                          | 832,545                                     | -                       | 255,817                                  | (576,728)                                  |  |  |
| 23 School Leadership                                 | 1,635,031                                   | -                       | 14,983                                   | (1,620,048)                                |  |  |
| 31 Guidance, Counseling, and Evaluation Services     | 690,197                                     | -                       | 147,926                                  | (542,271)                                  |  |  |
| 32 Social Work Services                              | 74,720                                      | -                       | -  | (74,720)                                   |  |  |
| 33 Health Services                                   | 244,935                                     | -                       | 5,974                                    | (238,961)                                  |  |  |
| 34 Student (Pupil) Transportation                    | 1,016,907                                   | 9,827                   | 5,045                                    | (1,002,035)                                |  |  |
| 35 Food Services                                     | 2,256,090                                   | 14,088                  | 2,470,215                                | 228,213                                    |  |  |
| 36 Extracurricular Activities                        | 2,357,662                                   | 79,882                  | -  | (2,277,780)                                |  |  |
| 41 General Administration                            | 1,462,695                                   | 260,379                 | 370                                      | (1,201,946)                                |  |  |
| 51 Facilities Maintenance and Operations             | 3,385,805                                   | 81,550                  | -  | (3,304,255)                                |  |  |
| 52 Security and Monitoring Services                  | 459,551                                     | 24,568                  | 33,648                                   | (401,335)                                  |  |  |
| 53 Data Processing Services                          | 636,087                                     | 34,396                  | -  | (601,691)                                  |  |  |
| 61 Community Services                                | 59,863                                      | -                       | 51,623                                   | (8,240)                                    |  |  |
| 72 Debt Service - Interest on Long-Term Debt         | 1,142,332                                   | -                       | -  | (1,142,332)                                |  |  |
| 73 Debt Service - Bond Issuance Cost and Fees        | 216,460                                     | -                       | -  | (216,460)                                  |  |  |
| 91 Contracted Instructional Services Between Schools | 48,070,446                                  | -                       | -  | (48,070,446)                               |  |  |
| 93 Payments Related to Shared Services Arrangements  | 57,313                                      | -                       | 47,889                                   | (9,424)                                    |  |  |
| 99 Other Intergovernmental Charges                   | 634,002                                     | -                       | -  | (634,002)                                  |  |  |
| [TP] TOTAL PRIMARY GOVERNMENT:                       | \$ 81,963,482                               | \$ 512,060              | \$ 6,058,123                             | (75,393,299)                               |  |  |
| Data<br>Control<br>Codes                             |   |                         |  |  |  |  |
|  |   | General Revenues:       |  |  |  |  |
|  |   | Taxes:                  |  |  |  |  |
| MT   | Property Taxes, Levied for General Purposes |                         |  | 65,676,091                                 |  |  |
| DT   | Property Taxes, Levied for Debt Service     |                         |  | 2,967,335                                  |  |  |
| GC   | Grants and Contributions not Restricted     |                         |  | 3,318,445                                  |  |  |
| IE   | Investment Earnings                         |                         |  | 95,145                                     |  |  |
| TR   | Total General Revenues                      |                         |  | 72,057,016                                 |  |  |
| CN   | Change in Net Position                      |                         |  | (3,336,283)                                |  |  |
| NB   | Net Position - Beginning                    |                         |  | 46,172,906                                 |  |  |
| NE   | Net Position - Ending                       |                         |  | \$ 42,836,623                              |  |  |

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

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## **Governmental Fund Financial Statements**

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AUGUST 31, 2021**

| Data<br>Control<br>Codes                                 | General<br>Fund      | Other<br>Funds      | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------|--------------------------------|
| <b>ASSETS</b>  |                      |                     |                                |
| 1110 Cash and Cash Equivalents                           | \$ 23,345,962        | \$ 3,488,510        | \$ 26,834,472                  |
| 1220 Property Taxes - Delinquent                         | 5,160,394            | 233,602             | 5,393,996                      |
| 1230 Allowance for Uncollectible Taxes                   | (258,020)            | (11,680)            | (269,700)                      |
| 1240 Due from Other Governments                          | 98,702               | 1,673,250           | 1,771,952                      |
| 1260 Due from Other Funds                                | 1,628,297            | 3,151               | 1,631,448                      |
| 1290 Other Receivables                                   | 146,739              | 3,352               | 150,091                        |
| 1300 Inventories   | 182,133              | -                   | 182,133                        |
| 1410 Prepayments   | 10,630               | -                   | 10,630                         |
| 1490 Other Current Assets                                | 25,431               | -                   | 25,431                         |
| 1000 Total Assets  | <u>\$ 30,340,268</u> | <u>\$ 5,390,185</u> | <u>\$ 35,730,453</u>           |
| <b>LIABILITIES</b>                                       |                      |                     |                                |
| 2110 Accounts Payable                                    | \$ 390,228           | \$ 16               | \$ 390,244                     |
| 2150 Payroll Deductions and Withholdings Payable         | 8,708                | -                   | 8,708                          |
| 2160 Accrued Wages Payable                               | 822,716              | 40,050              | 862,766                        |
| 2170 Due to Other Funds                                  | 3,151                | 1,628,297           | 1,631,448                      |
| 2180 Due to Other Governments                            | 3,049,070            | 6,419               | 3,055,489                      |
| 2200 Accrued Expenditures                                | 24,158               | 5,213               | 29,371                         |
| 2300 Unearned Revenue                                    | 877,911              | 105,002             | 982,913                        |
| 2000 Total Liabilities                                   | <u>5,175,942</u>     | <u>1,784,997</u>    | <u>6,960,939</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                      |                     |                                |
| 2601 Unavailable Revenue - Property Taxes                | 4,902,374            | 221,922             | 5,124,296                      |
| 2600 Total Deferred Inflows of Resources                 | <u>4,902,374</u>     | <u>221,922</u>      | <u>5,124,296</u>               |
| <b>FUND BALANCES</b>                                     |                      |                     |                                |
| Nonspendable Fund Balance:                               |                      |                     |                                |
| 3410 Inventories   | 182,133              | -                   | 182,133                        |
| 3430 Prepaid Items                                       | 10,630               | -                   | 10,630                         |
| Restricted Fund Balance:                                 |                      |                     |                                |
| 3450 Federal or State Funds Grant Restriction            | -                    | 436,596             | 436,596                        |
| 3470 Capital Acquisition and Contractual Obligation      | -                    | 2,386,154           | 2,386,154                      |
| 3480 Retirement of Long-Term Debt                        | -                    | 492,708             | 492,708                        |
| Assigned Fund Balance:                                   |                      |                     |                                |
| 3590 Other Assigned Fund Balance                         | -                    | 64,872              | 64,872                         |
| 3600 Unassigned Fund Balance                             | 20,069,189           | 2,936               | 20,072,125                     |
| 3000 Total Fund Balances                                 | <u>20,261,952</u>    | <u>3,383,266</u>    | <u>23,645,218</u>              |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 30,340,268</u> | <u>\$ 5,390,185</u> | <u>\$ 35,730,453</u>           |

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

CARRIZO SPRINGS CONSOLIDATED ISD  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 AUGUST 31, 2021

EXHIBIT C-2

|   |                      |
|---|----------------------|
| <b>Total Fund Balances - Governmental Funds</b>   | \$ 23,645,218        |
| 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 \$130,801,277 and the accumulated depreciation was (\$56,455,863). 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. At the beginning of the year liabilities and deferred charges on refunding related to debt were comprised of: bonds payable(\$38,980,000), premium on bonds (\$4,544,046), interest payable (\$54,714) and deferred charge on refunding \$1,508,493. The net effect is to increase net position.  | 32,275,147           |
| 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 2021 capital outlays, \$529,166, debt principal payments \$1,780,000, amortization of loss on refunding (\$114,464), amortization of bond premium \$204,091, change in interest payable \$1,366, amortization of accrued interest \$57,238 and issuance of 2021 bond refunding (\$258,596) is to increase net position.   | 2,198,801            |
| 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. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$3,195,124, a Deferred Resource Inflow in the amount of (\$1,766,546) and a net pension liability in the amount of (\$6,418,136). The impact of this on Net Position is (\$4,989,558). Changes from the current year reporting of the TRS plan resulted in a decrease in net position in the amount of (\$442,795). The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of (\$5,432,353) . | (5,432,353)          |
| The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a net OPEB liability of (\$7,451,211), a deferred outflow of \$1,734,378 and a deferred inflow of (\$5,456,196). This resulted in a (decrease) in ending net position.  | (11,173,029)         |
| The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position.  | (3,801,457)          |
| 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. The net effect of these reclassifications and recognitions is to increase net position.   | 5,124,296            |
| <b>Net Position of Governmental Activities</b>  | <u>\$ 42,836,623</u> |

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

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

EXHIBIT C-3

| Data<br>Control<br>Codes  | General<br>Fund      | Other<br>Funds      | Total<br>Governmental<br>Funds |
|---|----------------------|---------------------|--------------------------------|
| <b>REVENUES:</b>  |                      |                     |                                |
| 5700 Total Local and Intermediate Sources                                 | \$ 66,264,760        | \$ 3,105,432        | \$ 69,370,192                  |
| 5800 State Program Revenues   | 2,499,529            | 150,741             | 2,650,270                      |
| 5900 Federal Program Revenues   | 3,079,371            | 3,447,674           | 6,527,045                      |
| <b>5020 Total Revenues</b>  | <b>71,843,660</b>    | <b>6,703,847</b>    | <b>78,547,507</b>              |
| <b>EXPENDITURES:</b>  |                      |                     |                                |
| <b>Current:</b>   |                      |                     |                                |
| 0011 Instruction  | 11,128,288           | 2,704,966           | 13,833,254                     |
| 0012 Instructional Resources and Media Services                           | 271,530              | -                   | 271,530                        |
| 0013 Curriculum and Instructional Staff Development                       | 150,459              | 319,667             | 470,126                        |
| 0021 Instructional Leadership   | 557,248              | 255,817             | 813,065                        |
| 0023 School Leadership  | 1,498,923            | 14,983              | 1,513,906                      |
| 0031 Guidance, Counseling, and Evaluation Services                        | 509,671              | 147,926             | 657,597                        |
| 0032 Social Work Services   | 62,026               | -                   | 62,026                         |
| 0033 Health Services  | 218,588              | 5,974               | 224,562                        |
| 0034 Student (Pupil) Transportation                                       | 1,045,403            | 5,045               | 1,050,448                      |
| 0035 Food Services  | 1,889,464            | 110,016             | 1,999,480                      |
| 0036 Extracurricular Activities   | 1,140,283            | 12,293              | 1,152,576                      |
| 0041 General Administration   | 1,441,909            | 370                 | 1,442,279                      |
| 0051 Facilities Maintenance and Operations                                | 3,263,604            | -                   | 3,263,604                      |
| 0052 Security and Monitoring Services                                     | 408,065              | 33,648              | 441,713                        |
| 0053 Data Processing Services   | 585,621              | -                   | 585,621                        |
| 0061 Community Services   | 4,678                | 53,602              | 58,280                         |
| <b>Debt Service:</b>  |                      |                     |                                |
| 0071 Principal on Long-Term Debt  | -                    | 1,780,000           | 1,780,000                      |
| 0072 Interest on Long-Term Debt   | -                    | 1,244,927           | 1,244,927                      |
| 0073 Bond Issuance Cost and Fees  | -                    | 216,460             | 216,460                        |
| <b>Capital Outlay:</b>  |                      |                     |                                |
| 0081 Facilities Acquisition and Construction                              | 247,486              | -                   | 247,486                        |
| <b>Intergovernmental:</b>   |                      |                     |                                |
| 0091 Contracted Instructional Services Between Schools                    | 48,070,446           | -                   | 48,070,446                     |
| 0093 Payments to Fiscal Agent/Member Districts of SSA                     | 9,424                | 47,889              | 57,313                         |
| 0099 Other Intergovernmental Charges                                      | 634,002              | -                   | 634,002                        |
| <b>6030 Total Expenditures</b>  | <b>73,137,118</b>    | <b>6,953,583</b>    | <b>80,090,701</b>              |
| <b>1100 Excess (Deficiency) of Revenues Over (Under)<br/>Expenditures</b> | <b>(1,293,458)</b>   | <b>(249,736)</b>    | <b>(1,543,194)</b>             |
| <b>OTHER FINANCING SOURCES (USES):</b>                                    |                      |                     |                                |
| 7911 Capital Related Debt Issued  | -                    | 11,500,000          | 11,500,000                     |
| 7915 Transfers In   | -                    | 90,000              | 90,000                         |
| 7916 Premium or Discount on Issuance of Bonds                             | -                    | 1,419,502           | 1,419,502                      |
| 8911 Transfers Out (Use)  | (90,000)             | -                   | (90,000)                       |
| 8949 Other (Uses)   | -                    | (12,706,542)        | (12,706,542)                   |
| <b>7080 Total Other Financing Sources (Uses)</b>                          | <b>(90,000)</b>      | <b>302,960</b>      | <b>212,960</b>                 |
| 1200 Net Change in Fund Balances  | (1,383,458)          | 53,224              | (1,330,234)                    |
| <b>0100 Fund Balance - September 1 (Beginning)</b>                        | <b>21,645,410</b>    | <b>3,330,042</b>    | <b>24,975,452</b>              |
| <b>3000 Fund Balance - August 31 (Ending)</b>                             | <b>\$ 20,261,952</b> | <b>\$ 3,383,266</b> | <b>\$ 23,645,218</b>           |

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

CARRIZO SPRINGS CONSOLIDATED ISD  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT C-4

| <b>Total Net Change in Fund Balances - Governmental Funds</b>  | <b>\$</b> | <b>(1,330,234)</b>        |
|--|-----------|---------------------------|
| 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 2021 capital outlays, \$529,166, debt principal payments \$1,780,000, amortization of loss on refunding \$(114,464), amortization of bond premium \$204,091, change in interest payable \$1,366, amortization of accrued interest \$57,238 and issuance of 2021 bond refunding (\$258,596) is to increase net position. |           | 2,198,801                 |
| 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.  |           | (3,801,457)               |
| 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. The net effect of these reclassifications and recognitions is to (decrease) net position.  |           | (119,561)                 |
| Current year changes due to GASB 68 increased revenues in the amount of \$221,909 but also increased expenditures in the amount of (\$999,109). The net effect on the change in the ending net position was a (decrease) in the amount of (\$442,795).   |           | (442,795)                 |
| Current year changes due to GASB 75 increased revenues in the amount of \$425,358 but also increased expenditures in the amount of \$584,321. The net effect on the change in the ending net position was a increase in the amount of \$158,963.   |           | 158,963                   |
| <b>Change in Net Position of Governmental Activities</b>   | <b>\$</b> | <b><u>(3,336,283)</u></b> |

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

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## **Fiduciary Fund Financial Statements**

CARRIZO SPRINGS CONSOLIDATED ISD  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2021

|                           | Total<br>Custodial<br>Funds |
|---------------------------|-----------------------------|
| <hr/>                     |                             |
| ASSETS                    |                             |
| Cash and Cash Equivalents | \$ 149,779                  |
| Total Assets              | <u>149,779</u>              |
| <hr/>                     |                             |
| LIABILITIES               |                             |
| Due to Student Groups     | <u>149,779</u>              |
| Total Liabilities         | <u>149,779</u>              |

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

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Carrizo Springs Consolidated Independent 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 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 the Texas Education Agency’s (TEA) *Financial Accountability System Resource Guide* (the “Resource Guide”), and the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

The Board is elected by the public and it has the authority to make decisions, approve/disapprove appointment of administrators and managers, and significantly influence operations. The Board has primary accountability for fiscal matters; therefore, the District is a financial reporting entity as defined by GASB in its Statement No. 14, “The Financial Reporting Entity,” and it is not included as part of any other governmental reporting entity. There are no component units included within the reporting entity.

**B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING**

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses result from providing services in connection with the internal service funds of the self-insurance program. Operating expenses for internal service fund include the administrative expenses. All other revenues and expenses are nonoperating.

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

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The District reports the following major governmental funds:

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

Additionally, the District reports the following fund types:

Special Revenue Funds – These funds used to account for the majority of federal and state funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Generally, unused balances are returned to the grantor at the close of specified project periods.

Debt Service Fund – The Debt Service fund accounts for the accumulation of resources, and the payment of, bonded debt principal and interest. The primary revenue source is local property taxes levied specifically for debt service. The fund balance in this fund represent funds that will be used for the retirement of debt in the future. This fund is a budgeted fund.

Capital Projects Fund – The Capital Projects Fund was established to account for the resources to be used for renovating existing facilities.

Custodial Fund – This fund is used to account for assets held by the District as agent for individuals. The funds set aside are for school-sponsored groups (student activity funds) and by other third parties.

Measurement Focus, Basis of Accounting

*Government-wide and proprietary fund financial statements:* These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. The Custodial funds utilize the accrual basis of accounting but do not have measurement focus as they report only assets and liabilities. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental fund financial statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty (60) days after year end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds.

**C. FINANCIAL STATEMENT AMOUNTS**

Property Taxes

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

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

Deposit Accounting Policy

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

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value. The term "short-term" refers to investments which have a remaining term of one (1) year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Long Term Investment

For long term investments, the District applies specific identification for purposes of credit risk. The District's investment policy does not address concentration of credit risk as related to the long term investment.

Receivable and Payable Balances

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

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

Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. 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 deferred revenue when received. When requisitioned, inventory and deferred revenue are received, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include facilities maintenance and operation supplies as well as instructional supplies.

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

Unearned Revenue

Unearned revenue accounted for on the balance sheet relates to excess funds received from the funding sources over earned amounts.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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

| Asset Class           | Estimated Useful Lives |
|-----------------------|------------------------|
| Buildings             | 50 years               |
| Building Improvements | 20-30 years            |
| Furniture & Equipment | 3-7 years              |
| All Vehicles          | 5-10 years             |

Accumulated Unpaid Vacation and Sick Leave Benefits

The District adopts the State of Texas sick leave program which consists of five days per year of sick leave with no limit on accumulating and transferability among District employees. The District also provides an additional five days of local sick leave per year. Sick leave is not vested, therefore upon resignation, termination, or non-renewal of contract accumulated sick leave is not paid.

The District's annual leave policy provides a maximum of ten days leave per year to all nonprofessional personnel in a twelve-month position. Upon resignation or termination annual accumulated leave is not compensated.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. It is the District's policy to record bond premiums and discounts as deferred costs and amortize them over the life of the bonds using the effective interest method if material or straight line when not material. Loss on refunded debt is amortized over the term of the related bond using the straight line method. The balance of the loss on refunded debt is reported as a deferred outflow of resources with the adoption of GASB 65. Bonds payable are reported net of the applicable bond premiums and discounts.

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, if any. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 pay-as-you-go plan and all cash is held in a cash account.

Fund Balance

In the fund financial statements, the District uses the following criteria when classifying fund balance amounts:

*Nonspendable* – amounts not in spendable form or that are legally or contractually earmarked for a specific use. Examples include inventories and endowment principal.

*Restricted* – amounts that have been legally separated for a specific purpose by law or external funding source. Examples include grants, capital acquisitions, and long-term debt.

*Committed* – amounts that can only be set aside for a specific purpose by the District's highest level of decision-making authority, the Board, through formal action by adopting a resolution. This Board action to commit funds must occur prior to fiscal year end and can only be modified or removed through Board resolution. Examples include capital expenditures, self-insurance, and campus activity funds.

*Assigned* – amounts that do not require Board approval but are intended to be used for a specific purpose. As established by the District's fund balance policy, the Superintendent or his designee is authorized to assign amounts for a specific purpose. These amounts do not meet the criteria to be classified as restricted or committed.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Spending Order

Fund balance amounts that are restricted, committed, or assigned are considered to have been spent when the expenditure is incurred for the respective purpose. If an expenditure incurred meets the criteria for more than one fund balance category, the District applies fund balance in the following order: restricted, committed, assigned, and then unassigned.

Accounting System and Data Control Codes

In accordance with the Texas Education Code, Chapter 44, Subchapter A, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. School districts are required to display these codes in the financial statements filed with Texas Education Agency in order to ensure accuracy in building a statewide data base for policy development and funding plans.

Accrual of Foundation School Program Revenues

The State of Texas provides funding to Districts through the Foundation School Program based on instructional days, average daily attendance by fiscal year, and other relevant factors. The Academic year for the District typically begins after the fourth Monday in August and before the beginning of the subsequent fiscal year (September1). During this period, expenditures are incurred that relate directly to revenues received in the subsequent fiscal year. In the current fiscal year, the District accrued Foundation School revenues that would be received next year to match August days of instructional expenditures.

Restricted/Unrestricted Resources

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District's policy to first apply cost-reimbursement grant (restricted) resources to such programs and then general revenues.

Estimates

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

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For The Year Ended August 31, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Indirect Expenses

School districts are required to report all expenses by function. All general administration and other intergovernmental expenses reported in functions 41 and 99, respectively, and some data processing service expenses reported in function 53 represent indirect expenses of other functions.

Investments

The District's investments are generally reported at fair value in accordance with GASB Statement No. 72; accordingly, the District's investments in local government investment pools are reported at amortized cost and do not include any unrealized gains and losses.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

The Board adopts an appropriated budget on a basis consistent with GAAP for the general fund, debt service fund, and food service fund (which is included in special revenue funds). The District is required to present the original and the final amended budgets for revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures.

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

Prior to August 20<sup>th</sup>, of the preceding year, the District prepared a budget based on budgeting concepts for the next succeeding fiscal year, beginning September 1. The operating budget included proposed expenditures and the means of financing them.

After several budget workshops with the Board, a meeting was called for the purpose of adopting the proposed budget. At least ten days, but not more than 30 days, of public notice of the meeting is required.

Prior to September 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 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. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.

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For The Year Ended August 31, 2021

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

The original budget was approved by the Board on August 20, 2019. The budget may be amended by management without Board approval within a major functional expenditure category and can be amended at the function and fund level only by approval of a majority of the members of the Board. Amendments at the function and fund level are presented to the Board at its regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board and are made before the fiscal year end as required by law.

The budget amounts included in this report reflect various amendments made by management or adopted by the Board throughout the year through the final amended budget, which was approved by the Board on August 24, 2021.

For the year ended August 31, 2021, expenditures exceeded appropriations for the General Fund, Food Service Fund and Debt Service Fund as follows:

|                                   | Final Amended<br>Appropriation | Actual<br>Expenditures | Variance<br>(Excess) |
|-----------------------------------|--------------------------------|------------------------|----------------------|
| <b>General Fund:</b>              |                                |                        |                      |
| Student Pupil Transportation      | \$ 933,351                     | \$ 1,045,403           | \$ (112,052)         |
| Food Service                      | 1,880,273                      | 1,1889,464             | (9,191)              |
| Contracted Instructional Services | 47,802,362                     | 48,070,446             | (268,084)            |
| <b>Debt Service Fund:</b>         |                                |                        |                      |
| Principal on Long Term Debt       | \$ 1,738,700                   | \$ 1,780,000           | \$ (41,300)          |
| Bond Issuance Cost                | 71,195                         | 216,460                | (145,265)            |
| <b>Food Service Fund:</b>         |                                |                        |                      |
| Child Nutrition                   | \$ 1,879,147                   | \$ 1,888,329           | \$ (9,182)           |

Student Pupil Transportation – Excess expenditures was due in part to increased travel for UIL sporting events greater than anticipated.

Food Service – Excess expenditures was due to increased costs of food supplies.

Contracted Instructional Services – Excess expenditures was due to changes in estimates affecting recapture amounts.

Debt Service – Underestimated issuance costs in connection with bond refunding transactions.

**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

Deposits – Under Texas state law, a bank serving as the school depository must have a bond or in lieu thereof, deposited or pledged securities with the District or an independent third party agent, in an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC Insurance.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The District's deposits as of August 31, 2021 consist of the following:

|                  | <u>Cash and Cash<br/>Equivalents</u> |
|------------------|--------------------------------------|
| Deposits:        |                                      |
| Cash on Hand     | \$ 6,663                             |
| Demand Accounts  | 2,051,987                            |
| Investment Pools | <u>24,775,822</u>                    |
| Total            | <u>\$ 26,834,472</u>                 |

At August 31, 2021 the net carrying amount of the District's cash on deposit was \$1,842,058 and the bank balance was \$2,472,741.

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

- a. Depository: First State Bank of Uvalde in Carrizo Springs, Texas
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$30,322,631 at First State Bank of Uvalde and occurred in March 2021.
- c. The largest combined balances of cash, savings and time deposit accounts amounted to \$23,836,658 at First State Bank of Uvalde and occurred in March 2021.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Investments – Government Code Chapter 2256, The Public Funds Investments Act (“Act”) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

The Act determines the types of investments which are allowable for the District. These include with certain restrictions, (1) obligations of the U.S. Treasury, 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) commercial paper, restricted to dual rated A1/P1 paper, (8) Mutual Funds, (9) Investment pools, (10) guaranteed investment contracts, (11) and common trust funds.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The Act also requires an annual independent audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that the District is in substantial compliance with the requirements of the Act and with local policies.

*Interest Rate Risk* - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by investing in investment pools which have no stated maturity date; therefore, the funds are always available to meet operational needs. Maturities of the District's investments in the investment pools are less than one year. In accordance with District policy, to reduce exposure to changes in interest rates that could adversely affect the values of investments, the District shall use final and weighted average maturity limits and diversification. The District shall monitor interest rate risk using weighted average maturity and specific identification.

*Credit Risk* - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In accordance with state law, investments in investment pools must be rated at least AAA.

*Custodial Credit Risk* - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Act, the District's investment policy, and Government Code Chapter 2257, *Collateral for Public Funds*, contain legal or policy requirements that would limit the exposure to custodial risk for deposits or investments. To be eligible to receive funds from and invest funds on behalf of an entity under this Chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonable possible, stabilize at a \$1- net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ration between 0.995 and 1.005. The District's bank accounts and certificate of deposit funds are required to be deposited in accordance with the terms of the depository agreement. The depository bank places for safekeeping with the District's agent; bank approved pledged securities to protect the District's investments.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

At August 31, 2021, the District had the following investments:

| Investment Type              | Fair Value                  | Weighted Average Maturity (Days) | Standard & Poors Rating |
|------------------------------|-----------------------------|----------------------------------|-------------------------|
| Lone Star – Investment Pool  | \$ 23,633,811               | 1                                | AAAm                    |
| Texas Term – Investment Pool | <u>1,142,011</u>            | 1                                | AAA                     |
|                              | <u><u>\$ 24,775,822</u></u> |                                  |                         |

The District's investments in public funds investment pools include those with Lone Star Investment Pool (Lone Star) and TexasTERM Investment Pool. The pools were created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. The pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pools use amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the District's position in these pools is the same as the value of the pool shares. Participation in the pools is voluntary.

Lone Star is administered and distributed by the Texas Association of School Boards' wholly owned subsidiary, First Public. Lone Star is governed by an eleven-member Board of Trustees (Board) made up of active participants in the pool. The Board has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board is also responsible for monitoring the performance of the pool. Financial information for the pool can be obtained by writing to First Public at 12007 Research Blvd., Austin, Texas 78759 or by calling 1-800-558-8875.

The TexasTERM Local Government Investment Pool (the "Pool" or "TexasTERM") was created by and for Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. TexasTERM portfolios seek to provide these investors with safety, flexibility and competitive yields. TexasTERM offers a series of four professionally managed portfolios that are available to government entities in the State of Texas. The District's investments are in the Texas Daily Portfolio. TexasDAILY is a money market portfolio with daily liquidity that is rated AAA by Standard & Poor's. Financial information for the pool can be obtained by calling Program Representatives at 1-866-839-8376.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

*Fair Value Investments:* The District measures and records its investments in accordance with GASB Statement No. 72 using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1: Quoted prices for identical investments in active markets; Level 2: Observable inputs other than quoted market prices; and, Level 3: Unobservable inputs.

At August 31, 2021, the District did not hold any investments.

**B. PROPERTY TAXES**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

On January 31 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest ultimately imposed.

The appraisal and recording of all property within the District is the responsibility of the Dimmit Central Appraisal District (DCAD). The DCAD is an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. DCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the DCAD Review Board through various appeals and, if necessary, legal action.

Tax collections are prorated between the General Fund and Debt Service Fund based on a tax rate approved by the Board. For the period ended August 31, 2021, the General and Debt Service fund rates were \$.9764 and \$.0442, respectively, per \$100 of assessed value.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. 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. The property tax receivable allowance is equal to 5% of outstanding property taxes at August 31, 2021.

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**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. DUE TO/DUE FROM OTHER FUNDS**

The amounts due to/from other funds as of August 31, 2021 are as follows:

|               | Due From            | Due To              |
|---------------|---------------------|---------------------|
| General Fund: |                     |                     |
| Other Funds   | \$ 1,628,297        | \$ 3,151            |
| Other Funds:  |                     |                     |
| General Fund  | 3,151               | 1,628,297           |
| Total         | <u>\$ 1,631,448</u> | <u>\$ 1,631,448</u> |

Receivables in the General Fund represent amounts transferred to Special Revenue Funds pending reimbursement from grantors and amounts due from the Debt Service Fund for property tax collections allocated to the General Fund. These interfund balances are expected to be repaid within one year from the date of the financial statements.

**D. CAPITAL ASSETS**

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

|   | Beginning<br>Balances<br>8/31/2020 | Increases             | Decreases | Ending<br>Balances<br>8/31/2021 |
|---|------------------------------------|-----------------------|-----------|---------------------------------|
| <u><b>Governmental activities:</b></u>      |                                    |                       |           |                                 |
| Capital assets not being depreciated:       |                                    |                       |           |                                 |
| Land  | \$ 725,674                         | \$ 247,486            | -         | \$ 973,160                      |
| Total capital assets not being depreciated  | <u>725,674</u>                     | <u>247,486</u>        | <u>-</u>  | <u>973,160</u>                  |
| Capital assets being depreciated:           |                                    |                       |           |                                 |
| Buildings and Improvements                  | 123,755,553                        | -                     | -         | 123,755,553                     |
| Furniture, Equipment and Vehicles           | 6,320,050                          | 281,680               | -         | 6,601,730                       |
| Total capital assets being depreciated      | <u>130,075,603</u>                 | <u>281,680</u>        | <u>-</u>  | <u>130,357,283</u>              |
| Less accumulated depreciation:              |                                    |                       |           |                                 |
| Building and Improvements                   | (51,535,678)                       | (3,500,715)           | -         | (55,036,393)                    |
| Furniture, Equipment and Vehicles           | (4,920,185)                        | (300,742)             | -         | (5,220,927)                     |
| Total accumulated depreciation              | <u>(56,455,863)</u>                | <u>(3,801,457)</u>    | <u>-</u>  | <u>(60,257,320)</u>             |
| Total capital assets being depreciated, net | <u>73,619,740</u>                  | <u>(3,519,777)</u>    | <u>-</u>  | <u>70,099,963</u>               |
| Governmental activities capital assets, net | <u>\$ 74,345,414</u>               | <u>\$ (3,272,291)</u> | <u>-</u>  | <u>\$ 71,073,123</u>            |

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**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

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

| Governmental Activities                      | Totals              |
|--|---------------------|
| Instruction                                  | \$ 1,658,574        |
| Instructional Resources and Media Services   | 149,105             |
| Curriculum and Staff Development             | 59,355              |
| Instructional Leadership                     | 333                 |
| School Leadership                            | 85,987              |
| Guidance, Counseling and Evaluation Services | 18,606              |
| Social Work Services                         | 11,889              |
| Health Services                              | 15,906              |
| Student (Pupil) Transportation               | 166,529             |
| Food Services                                | 253,120             |
| Extracurricular Activities                   | 1,193,533           |
| General Administration                       | 5,034               |
| Facilities and Maintenance Operations        | 130,586             |
| Security and Monitoring Services             | 10,796              |
| Data Processing Services                     | 41,475              |
| Community Services                           | 629                 |
| Total Depreciation Expense                   | <u>\$ 3,801,457</u> |

**E. DUE FROM OTHER GOVERNMENTS**

The amount reflected as due from other governments is comprised of the following:

|               | General Fund     | Other Funds         | Total               |
|---------------|------------------|---------------------|---------------------|
| State Funds   | \$ 98,702        | \$ 2,094            | \$ 100,796          |
| Federal Funds | -                | 1,671,153           | 1,671,156           |
| Total         | <u>\$ 98,702</u> | <u>\$ 1,673,250</u> | <u>\$ 1,771,952</u> |

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**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. GENERAL FUND FEDERAL SOURCE REVENUES**

The following federal source revenues are included in the General Fund:

| Program or Source                             | Amount              |
|---|---------------------|
| ESSER – PPRP                                  | \$ 407,116          |
| School Health & Related Services (SHARS)      | 195,977             |
| Junior Reserve Officers Training Corp (JROTC) | 34,368              |
| Child Nutrition Cluster                       | <u>2,441,910</u>    |
| Total   | <u>\$ 3,079,371</u> |

**G. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

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

|                                     | General<br>Fund      | Other<br>Funds      | Total                |
|-------------------------------------|----------------------|---------------------|----------------------|
| Property Taxes, Penalties, Interest | \$ 65,657,624        | \$ 3,051,868        | \$ 68,709,492        |
| Food Sale                           | 14,088               | -                   | 14,088               |
| Rent                                | 475                  | -                   | 475                  |
| Investment Income                   | 54,046               | 41,099              | 95,145               |
| Athletic Activity                   | 43,030               | -                   | 43,030               |
| Insurance Recovery                  | 53,494               | -                   | 53,494               |
| Other Revenues from Local Sources   | <u>442,003</u>       | <u>12,465</u>       | <u>454,468</u>       |
|                                     | <u>\$ 66,264,760</u> | <u>\$ 3,105,432</u> | <u>\$ 69,370,192</u> |

**H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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. Deferred Inflows of 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 (revenues) until that time.

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**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The District reports Deferred Resource Outflows and Deferred Resource Inflows in the Statement of Net Position as of August 31, 2021 as follows:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| District's Share of Resources related to TRS Pension | \$ 2,840,612                         | \$ 1,386,036                        |
| District's Share of Resources related to OPEB        | 1,734,378                            | 5,456,196                           |
| Deferred Charge for Refunding of Debt                | 2,534,935                            | -                                   |
| Total  | <u>\$ 7,109,925</u>                  | <u>\$ 6,842,232</u>                 |

Deferred Inflows of Resources as of August 31, 2021, was as follows:

|   | General<br>Fund     | Other<br>Funds    | Total               |
|---|---------------------|-------------------|---------------------|
| Property Tax Receivable                 | \$ 5,160,394        | \$ 233,602        | \$ 5,393,996        |
| Allowance for Uncollectible Taxes       | (258,020)           | (11,680)          | (269,700)           |
| Unavailable Revenues for Property Taxes | <u>\$ 4,902,374</u> | <u>\$ 221,922</u> | <u>\$ 5,124,296</u> |

**I. LONG TERM DEBT**

- a) During fiscal year 2012, the District issued \$ 35,965,000 in Unlimited Tax School Building Bonds, Series 2012. The bonds were issued for constructing, renovating, designing, acquiring, and equipping school facilities and acquiring necessary sites for school facilities. The bonds have an annual interest rate of 2% to 5%. During 2017 and 2020 the District refunded \$6,950,000 and \$16,290,00 respectively, of these bonds with the issuance of Unlimited Tax Refunding Bonds, Series 2018 and Unlimited Tax Refunding Bonds, Taxable Series 2020.
- b) During fiscal year 2013, the District issued \$ 9,300,000 in Unlimited Tax School Building Bonds, Series 2013. The bonds were issued for constructing, renovating, designing, acquiring, and equipping school facilities and acquiring necessary sites for school facilities. The bonds have an annual interest rate of 3.5% to 5%.
- c) During fiscal year 2015, the District issued \$ 5,340,000 in Unlimited Tax Refunding Bonds, Series 2015. The proceeds were used to defease the Unlimited Tax Refunding Bonds, Series 2005 and to pay bond issue costs. The bonds have an annual interest rate of 2% to 4%.

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

- d) During fiscal year 2017, the District issued \$6,880,000 in Unlimited Tax Refunding Bonds, Series 2017. The proceeds were used to defease \$6,950,000 of Unlimited Tax Refunding Bonds, Series 2012 and to pay related bond issue costs. The bonds have an annual interest rate of 2% to 4.5%.
- e) During fiscal year 2020, the District issued \$16,290,000 in Unlimited Tax Refunding Bonds, Series 2020. The proceeds were used to defease \$16,290,000 of the Series 2012 bonds and to pay related bond issue costs. The bonds have an annual interest rate of .6%-2.6%.
- f) During fiscal year 2021, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2021 in the amount of \$11,500,000. Proceeds from the sale of the bonds were issued to refund a portion of the Unlimited Tax School Building Bonds, Series 2012 outstanding in the amount of \$3,770,000, Unlimited Tax School Building Bonds, Series 2013 outstanding in the amount of \$5,685,000 and Unlimited Tax School Refunding Bonds, Series 2015 in the amount of \$2,065,000. Additionally, the proceeds are to pay for the costs of issuing the bonds. The net proceeds of \$12,919,502 (after premium \$1,419,502, underwriter's discount \$68,771 and cost of issuance \$144,190 were deposited in an irrevocable trust with an escrow agent to complete the advance refunding with interest rates of 1.87% to 5.0%. Although the advance refunding resulted in the recognition of a deferred charge on refunding of \$1,186,542 for the year ended August 31, 2021 which is being amortized through the year 2034; the District's total gross debt service savings was \$974,816 with a net present value savings of \$892,194.

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

| Description                                 | Original Issue Amount | Interest Rate Payable | Amount Outstanding 9/1/2020 | Issued               | Retired              | Amount Outstanding 8/31/2021 | Amount Due Within One Year |
|---|-----------------------|-----------------------|-----------------------------|----------------------|----------------------|------------------------------|----------------------------|
| <b>Unlimited Tax School Building Bonds:</b> |                       |                       |                             |                      |                      |                              |                            |
| Series 2012                                 | 35,965,000            | 2% - 5%               | \$ 5,475,000                | \$ -                 | \$ (4,610,000)       | \$ 865,000                   | \$ 865,000                 |
| Series 2013                                 | 9,300,000             | 3.5% - 5%             | 6,945,000                   | -                    | (6,085,000)          | 860,000                      | 420,000                    |
| <b>Unlimited Tax Refunding Bonds:</b>       |                       |                       |                             |                      |                      |                              |                            |
| Series 2015                                 | 5,340,000             | 2% - 4%               | 3,780,000                   | -                    | (2,385,000)          | 1,395,000                    | 330,000                    |
| Series 2017                                 | 6,880,000             | 2% - 4.5%             | 6,790,000                   | -                    | -                    | 6,790,000                    | -                          |
| Series 2020                                 | 16,290,000            | .6% - 2.6%            | 15,900,000                  | -                    | (160,000)            | 15,830,000                   | 165,000                    |
| Series 2021                                 | 11,500,000            | 1.87%-5.00%           | -                           | 11,500,000           | (60,000)             | 11,440,000                   | -                          |
| <b>Totals</b>                               |                       |                       | <b>\$ 38,980,000</b>        | <b>\$ 11,500,000</b> | <b>\$ 13,300,000</b> | <b>\$ 37,180,000</b>         | <b>\$ 1,780,000</b>        |

Payments on bonds that pertain to the District's governmental activities are made from the Debt Service Fund.

Any compensated absences liability attributable to governmental activity has typically been liquidated by the General Fund.

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

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

| Year Ending<br>August 31, | Principal            | Interest             | Total                |
|---------------------------|----------------------|----------------------|----------------------|
| 2022                      | \$ 1,780,000         | \$ 1,200,328         | \$ 2,980,328         |
| 2023                      | 1,810,000            | 1,142,234            | 2,952,234            |
| 2024                      | 1,875,000            | 1,069,938            | 2,944,938            |
| 2025                      | 1,965,000            | 989,642              | 2,954,642            |
| 2026                      | 2,045,000            | 901,608              | 2,946,608            |
| 2027 – 2031               | 11,075,000           | 3,169,658            | 14,244,658           |
| 2032 – 2036               | 6,275,000            | 4,394,912            | 10,669,912           |
| 2037 – 2041               | 8,520,000            | 901,986              | 9,421,986            |
| 2042 – 2046               | 1,835,000            | 48,462               | 1,883,462            |
| <b>Total</b>              | <b>\$ 37,180,000</b> | <b>\$ 13,818,768</b> | <b>\$ 50,998,768</b> |

The District issues obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. The bonds are supported by a pledge of the District's full faith and credit. The bond indentures require a levy and collection of taxes without limitation as to rate or amount on all property subject to taxation by the District sufficient in amount to pay the principal and interest on such bonds as they become due. The indentures also require that a debt service fund be created and administered by the District solely for paying principal and interest when due.

Bond indebtedness of the District is reflected in the government-wide financial statements, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

The District has never defaulted on any principal or interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. The District is in compliance with all significant limitations and restrictions at August 31, 2021.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. On August 31, 2021 \$34,760,000 of bonds considered defeased are still outstanding.

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The liability is not recorded until payment is actually made or the liability has become due and payable. The District does not have an arbitrage liability as of August 31, 2021.

**J. CHANGES IN LONG TERM LIABILITIES**

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

|                               | Balance<br>9/1/2020 | Additions     | Deletions       | Balance<br>8/31/2021 | Due Within<br>One Year |
|-------------------------------|---------------------|---------------|-----------------|----------------------|------------------------|
| Bonds Payable                 | \$ 38,980,000       | \$ 11,500,000 | \$ (13,300,000) | \$ 37,180,000        | \$ 1,780,000           |
| Unamortized Premiums          | 2,761,178           | 1,419,502     | (204,091)       | 3,976,589            | -                      |
| C.A.B.'s – Accreted Interest  | 1,782,868           | -             | (57,238)        | 1,725,630            | -                      |
| Total Governmental Activities | \$ 43,524,046       | \$ 12,919,502 | \$ (13,561,329) | \$ 42,882,219        | \$ 1,780,000           |

**K. DEFINED BENEFIT PENSION PLAN**

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard 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.** Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

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

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

**Contributions.** Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. 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. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

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For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

|   | <u>Contribution Rates</u> | <b>2021</b> | <b>2020</b> |
|---|---------------------------|-------------|-------------|
| Member (Employee)   | 7.7%                      | 7.7%        | 7.7%        |
| Non-Employer Contributing Entity (State)                                  | 7.5%                      | 7.5%        | 7.5%        |
| Employer (District)   | 7.5%                      | 7.5%        | 7.5%        |
| Carrizo Springs CISD 2021 – Employer Contributions (District)             | \$ 556,314                |             |             |
| Carrizo Springs CISD 2021 – Member Contributions (Employees)              | \$ 1,265,302              |             |             |
| Carrizo Springs CISD 2020 – NECE On-Behalf Contributions (State of Texas) | \$ 973,862                |             |             |

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

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

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For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

***Actuarial Assumptions.*** The total pension liability in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020 and was determined using the following actuarial assumptions:

|   |   |
|---|---|
| Valuation Date  | August 31, 2019 rolled forward to August 31, 2020   |
| Actuarial Cost Method                                       | Individual Entry Age Normal   |
| Asset Valuation Method                                      | Market Value  |
| Single Discount Rate  | 7.25%   |
| Long-term Expected Investment Rate of Return                | 7.25%   |
| Municipal Bond Rate as of August 31, 2020                   | 2.33%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only Federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." |
| Inflation   | 2.30%   |
| Salary Increases ( <i>Including Inflation</i> )             | 3.05% to 9.05%  |
| Benefit Changes During the Year                             | None  |
| Ad Hoc Post-Employment Benefit Changes                      | None  |
| Last Year Ending August 31 in Projection Period (100 years) | 2119  |

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

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

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

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 (TRS CAFR, pg. 53) are summarized below:

| Asset Class  | FY 2020 Target Allocation*<br>% | Long-Term Expected Geometric Real Rate of Return*** | Expected Contribution to Long-Term Portfolio Return |
|--|---------------------------------|---|---|
| <b>Global Equity</b>                                     |                                 |   |   |
| USA  | 18.0%                           | 3.9%  | 0.99%   |
| Non-U.S. Developed                                       | 13.0%                           | 5.1%  | 0.92%   |
| Emerging Markets   | 9.0%                            | 5.6%  | 0.83%   |
| Private Equity   | 14.0%                           | 6.7%  | 1.41%   |
| <b>Stable Value</b>                                      |                                 |   |   |
| Government Bonds   | 16.0%                           | -0.7%   | -0.05%  |
| Stable Value Hedge Funds                                 | 5.0%                            | 1.9%  | 0.11%   |
| Absolute Return (including Credit Sensitive Investments) | -                               | 1.8%  | -   |
| <b>Real Return</b>                                       |                                 |   |   |
| Real Estate  | 15.0%                           | 4.6%  | 1.02%   |
| Energy, Natural Resources and Infrastructure             | 6.0%                            | 6.0%  | 0.42%   |
| Commodities  | -                               | 0.8%  | -   |
| <b>Risk Parity</b>                                       |                                 |   |   |
| Risk Parity  | 8.0%                            | 3.0%  | -0.03%  |
| <b>Asset Allocation Leverage</b>                         |                                 |   |   |
| Cash   | 2.0%                            | -1.5%   | -0.08%  |
| Asset Allocation Leverage                                | -6.0%                           | -1.3%   | 2.00%   |
| Inflation Expectation                                    | -                               |   | -0.67%  |
| Volatility Drag***                                       | -                               |   | 7.33%   |
| <b>Total</b>   | <b>100.0%</b>                   | <b>100.0%</b>                                       | <b>7.33%</b>  |

\* Target allocation based on the FY 2020 Model

\*\* Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020)

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

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For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

***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.

|  | 1% Decrease in<br>Discount Rate (6.25%) | Discount Rate (7.25%) | 1% Increase in<br>Discount Rate (8.25%) |
|--|---|-----------------------|---|
| District's proportionate share of the Net Pension Liability: | \$ 10,619,521                           | \$ 6,886,929          | \$ 3,854,280                            |

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** At August 31, 2021, the District reported a liability of \$6,886,929 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 | \$ 6,886,929                |
| State's proportionate share that is associated with the District       | <u>11,901,780</u>           |
| <b>Total</b>   | <b><u>\$ 18,788,709</u></b> |

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

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.0128588339% which was a decrease of .0005122591% from its proportion measured as of August 31, 2020.

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total Pension Liability since the prior measurement period:

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

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**Actuarial Methods and Policies**

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

For the year ended August 31, 2021, the District recognized pension expense of \$1,431,520 and revenue of \$1,431,520 for support provided by the State.

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

| Description   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experiences  | \$ 12,575                            | \$ 192,196                          |
| Changes in actuarial assumptions  | 1,598,013                            | 679,464                             |
| Differences between projected and actual investment earnings  | 139,420                              | -                                   |
| Changes in proportion and differences between the employer's contributions and the proportionate share of contributions | 534,290                              | 514,346                             |
| Contributions paid to TRS subsequent to the measurement date  | 556,314                              | -                                   |
| <b>Total</b>  | <b>\$ 2,840,612</b>                  | <b>\$ 1,386,006</b>                 |

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

| Year Ending<br>August 31, | Pension Expense<br>Amount |
|---------------------------|---------------------------|
| 2021                      | \$ 179,450                |
| 2022                      | 246,434                   |
| 2023                      | 309,977                   |
| 2024                      | 176,313                   |
| 2025                      | (16,893)                  |
| Thereafter                | 8,980                     |
| <b>Total</b>              | <b>\$ 898,261</b>         |

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**L. OTHER POST EMPLOYMENT BENEFITS**

**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.state.tx.us>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

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

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

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

| <u>Contribution Rates</u>   | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Member (Employee)   | 0.65%       | 0.65%       |
| Non-Employer Contributing Entity (State)                                  | 1.25%       | 1.25%       |
| Employer (District)   | 0.75%       | 0.75%       |
| Federal/Private Funding Remitted by Employers                             | 1.25%       | 1.25%       |
| <br>  |             |             |
| Carrizo Springs CISD 2021 – Employer Contributions (District)             | \$ 152,573  |             |
| Carrizo Springs CISD 2021 – Member Contributions (Employees)              | \$ 106,812  |             |
| Carrizo Springs CISD 2020 – NECE On-Behalf Contributions (State of Texas) | \$ 258,485  |             |

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

A supplemental appropriation was authorized by Senate Bill 1264 of the 86<sup>th</sup> Texas Legislature to provide \$2,208,137 for fiscal year 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal year 2021.

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

***Actuarial Assumptions.*** The total OPEB liability in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020 and was determined using the following actuarial assumptions.

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

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

***Additional Actuarial Methods and Assumptions:***

|  |  |
|--|--|
| Valuation Date                         | August 31, 2019 rolled forward to August 31, 2020  |
| Actuarial Cost Method                  | Individual Entry Age Normal  |
| Inflation                              | 2.30%  |
| Single Discount Rate                   | 2.33% as of August 31, 2020  |
| Aging Factors                          | Based on plan specific experience  |
| Expenses                               | Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claim costs.                             |
| Projected Salary Increases             | 3.05% to 9.05% including inflation<br>Initial medical trend rates of 9% for Medicare retirees and 7.30% for non-Medicare retirees.                           |
| Healthcare Trend Rates                 | Initial prescription drug trend rate of 9.0% for all retirees.<br>Initial trend rates decrease to an ultimate trend rate of 4.20% over a period of 13 years. |
| Election Rates                         | Normal Retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.             |
| Ad Hoc Post-Employment Benefit Changes | None   |

CARRIZO SPRINGS CONSOLIDATED  
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**Discount Rate.** A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of .30% in the discount rate since the previous year. The Discount Rate can be found in the 2019 TRS CAFR on page 76. 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 nonemployer 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 (2.33%) in measuring the Net OPEB Liability

|  | 1% Decrease in<br>Discount Rate (1.33%) | Discount Rate (2.33%) | 1% Increase in<br>Discount Rate (3.33%) |
|--|---|-----------------------|---|
| District's proportionate share of the<br>Net OPEB Liability: | \$ 8,941,436                            | \$ 7,451,2117         | \$ 6,274,147                            |

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At August 31, 2020, the District reported a liability of \$7,451,211 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

|  |                      |
|--|----------------------|
| District's proportionate share of the collective net pension liability | \$ 7,451,211         |
| State's proportionate share that is associated with the District       | <u>10,012,641</u>    |
| Total  | <u>\$ 17,463,852</u> |

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

At August 31, 2021 the District's proportion of the collective net OPEB liability was .0196009961% compared to .0193309169% as of August 31, 2020.

**CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas**

**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

|  | 1% Decrease in<br>Healthcare Trend Rate | Current Single<br>Healthcare Trend Rate | 1% Increase in<br>Healthcare Trend Rate |
|--|---|---|---|
| District's proportionate share of the<br>Net OPEB Liability: | \$ 6,086,684                            | \$ 7,451,211                            | \$ 9,268,567                            |

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

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

For the year ended August 31, 2021, the District recognized OPEB expense of (\$69,524) and revenue of (\$69,524) for support provided by the state.

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

| Description   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experiences   | \$ 390,142                           | \$ 3,410,055                        |
| Changes in actuarial assumptions  | 459,585                              | 2,046,141                           |
| Differences between projected and actual investment earnings  | 2,421                                | -                                   |
| Changes in proportion and differences between the employer's contributions and the proportionate share of contributions | 729,657                              | -                                   |
| Contributions paid to TRS subsequent to the Measurement Date  | 152,573                              | -                                   |
| Total   | <u>\$ 1,734,378</u>                  | <u>\$ 5,456,196</u>                 |

CARRIZO SPRINGS CONSOLIDATED  
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

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

| Year Ended August 31 | Pension Expense       |
|----------------------|-----------------------|
|                      | Amount                |
| 2021                 | \$ (661,614)          |
| 2022                 | (661,936)             |
| 2023                 | (662,123)             |
| 2024                 | (662,072)             |
| 2025                 | (463,048)             |
| Thereafter           | <u>(763,597)</u>      |
|                      | <u>\$ (3,874,392)</u> |

**Medicare Part D.** The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Contributions made by the federal government on behalf of the District are recorded in the financial statements as both revenues and expenditures. These payments totaled \$69,592, \$74,222, and \$55,764 for fiscal years 2021, 2020, and 2019 respectively.

**M. HEALTH CARE COVERAGE**

During the year-ended August 31, 2021, employees of the District were covered by a District Health Plan ("the Plan"). The District paid premiums of \$431.76 per month per employee to the plan. Employees, at their option, authorize payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer.

**N. 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; and natural disasters. The District participates in the Texas Association School Board (TASB) Risk Management Fund (Fund), which provides coverage for covered losses related to general liability coverage, auto liability, crime, and physical damage coverage. The Fund is not an insurance company; rather, the coverage Agreement is an agreement between the Fund, and the Fund members to pay all covered losses subject to all provisions of the Agreement.

The District pays an annual premium for the general liability, auto liability, crime, and physical damage coverage. There were no significant reductions in coverage from the past fiscal year and settled claims resulting from this risk have not exceeded insurance coverage in any of the past three years.

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**O. WORKER'S COMPENSATION**

In prior years, the District entered into an agreement with Workers' Compensation Solutions (WCS) to participate in a modified self-funded program. WCS is a cooperative agency established by participating school districts. Under this program, WCS computes a premium by utilizing the District's payroll, by fiscal year, and other factors. The premium is used as the basis to determine the amount of the District's fixed administrative costs and maximum loss fund. During the year, the District paid \$90,458 in fixed administrative fees, which was assessed at \$79,126 plus 10% of the maximum loss fund for 2021-2020. The District is also required to maintain a deposit with WCS equal to 10% of the maximum loss fund for each fiscal year. The District made other payments corresponding to the maximum loss fund of \$137,664. The maximum loss fund represents the maximum estimated amount in workers compensation claims for which the District is contractually liable. WSC is liable for amounts above the maximum loss fund.

Governmental accounting standards require that liabilities be recognized based on reasonable estimates based on historical experience and/or actuarial methods. In prior years, the District had recognized the self-insurance fund liabilities based on the maximum loss contractual estimates. The maximum loss contractual estimates have not been exceeded in the last ten (10) years. The District reflects claims liabilities based on the actuarial cost estimates obtained and provided by WCS. Information provided by WCS indicates that there is a positive actuarial liability for the fiscal year ended August 31, 2021 and a negative liability in the previous two years. The actuarially determined liabilities were \$(68,669) in 2021, \$(10,831) in 2020 and \$(24,400) in 2019.

**P. COMMITMENTS AND CONTINGENCIES**

Litigation, Claims or Judgements

From time to time the District is a party to legal actions, claims or judgements. Management does not consider any items to have a material effect on the financial condition of the District as of the date of this report. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

State and Federal Programs Contingencies

The District participates in numerous Federal and state grant programs that are governed by the rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. If the District is found to be out of compliance with any rules or regulations governing the grants, the grantor may either deny requests for reimbursement or may require that grant proceeds received be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**Q. INCREMENTAL COST ASSOCIATED WITH TEXAS STATE LAW - CHAPTER 41**

Expenditures of \$48,070,446 for incremental costs associated with Chapter 41 consist of Chapter 41 recapture payments to TEA and amounts payable. Under Texas State Law (TEC Chapter 41), the State recaptured ad valorem taxes collected by the District; recapture is a mechanism in state funding formulas that ensures that a district's property wealth per student does not exceed certain levels, known as equalized wealth levels. A district is subject to the provisions of Chapter 41 if its property wealth per Weighted Average Daily Attendance (WADA) exceeds certain equalized wealth levels set in statute.

**S. TAX ABATEMENTS**

The District has two active Chapter 313 Agreements with corporations for limitation on appraised value of property for school district maintenance and operations taxes pursuant to the Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act.

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

In order to qualify for a value limitation agreement, each applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of trustees and the Texas Comptroller's Office, which recommended approval of the project. The application, the agreements and state reporting requirement documentation can be viewed at the Texas Comptroller's website: <https://www.comptroller.texas.gov/economy/local/ch313/agreement-docs.php>. The agreement and all supporting documentation was assigned Texas Comptroller Application number 350.

The following Chapter 313 Agreements are in effect:

Shakes Solar LLC- On March 26, 2019, the District approved a Tax Limitation Agreement with Shakes Solar, LLC (Application No. 1297). The project M&O taxable will be \$30,000,000, once the limitation begins. There was no reduction in M&O taxes for the fiscal year ending August 31, 2021. Beginning in tax year 2021, an incentive of ten (10) years was granted reducing the annual tax levy to \$123,942.

CARRIZO SPRINGS CONSOLIDATED  
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Carrizo Springs, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2021

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

Cane Flats Solar Project LLC – On May 19, 2020, the District approved a Tax Limitation Agreement with Cane Flats Solar, LLC (Application No. 1408). The first-year value limitation will be tax year 2023. There was no reduction in M&O taxes for the fiscal year ending August 31, 2021; and, the net benefit to the District was \$203,100.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

| Data<br>Control<br>Codes  | Budgeted Amounts     |                      | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---|----------------------|----------------------|--------------------------------|--|
|   | Original             | Final                |                                |  |
| <b>REVENUES:</b>  |                      |                      |                                |  |
| 5700 Total Local and Intermediate Sources                         | \$ 66,604,858        | \$ 68,183,367        | \$ 66,264,760                  | \$ (1,918,607)   |
| 5800 State Program Revenues                                       | 2,821,457            | 2,830,457            | 2,499,529                      | (330,928)  |
| 5900 Federal Program Revenues                                     | 190,000              | 2,619,367            | 3,079,371                      | 460,004  |
| <b>5020 Total Revenues</b>  | <b>69,616,315</b>    | <b>73,633,191</b>    | <b>71,843,660</b>              | <b>(1,789,531)</b>   |
| <b>EXPENDITURES:</b>  |                      |                      |                                |  |
| <b>Current:</b>   |                      |                      |                                |  |
| 0011 Instruction  | 12,692,943           | 13,122,133           | 11,128,288                     | 1,993,845  |
| 0012 Instructional Resources and Media Services                   | 363,026              | 364,026              | 271,530                        | 92,496   |
| 0013 Curriculum and Instructional Staff Development               | 414,885              | 643,410              | 150,459                        | 492,951  |
| 0021 Instructional Leadership                                     | 575,293              | 640,521              | 557,248                        | 83,273   |
| 0023 School Leadership  | 1,506,250            | 1,533,200            | 1,498,923                      | 34,277   |
| 0031 Guidance, Counseling, and Evaluation Services                | 548,761              | 572,065              | 509,671                        | 62,394   |
| 0032 Social Work Services   | 75,087               | 75,087               | 62,026                         | 13,061   |
| 0033 Health Services  | 244,121              | 262,425              | 218,588                        | 43,837   |
| 0034 Student (Pupil) Transportation                               | 923,351              | 933,351              | 1,045,403                      | (112,052)  |
| 0035 Food Services  | 1,125                | 1,880,273            | 1,889,464                      | (9,191)  |
| 0036 Extracurricular Activities                                   | 1,159,109            | 1,427,030            | 1,140,283                      | 286,747  |
| 0041 General Administration                                       | 1,448,559            | 1,546,511            | 1,441,909                      | 104,602  |
| 0051 Facilities Maintenance and Operations                        | 3,430,090            | 3,565,090            | 3,263,604                      | 301,486  |
| 0052 Security and Monitoring Services                             | 365,708              | 461,178              | 408,065                        | 53,113   |
| 0053 Data Processing Services                                     | 595,282              | 635,282              | 585,621                        | 49,661   |
| 0061 Community Services   | 6,250                | 7,250                | 4,678                          | 2,572  |
| <b>Capital Outlay:</b>  |                      |                      |                                |  |
| 0081 Facilities Acquisition and Construction                      | -                    | 256,200              | 247,486                        | 8,714  |
| <b>Intergovernmental:</b>   |                      |                      |                                |  |
| 0091 Contracted Instructional Services Between Schools            | 45,526,983           | 47,802,362           | 48,070,446                     | (268,084)  |
| 0093 Payments to Fiscal Agent/Member Districts of SSA             | 70,000               | 70,000               | 9,424                          | 60,576   |
| 0099 Other Intergovernmental Charges                              | 642,648              | 642,648              | 634,002                        | 8,646  |
| <b>6030 Total Expenditures</b>                                    | <b>70,589,471</b>    | <b>76,440,042</b>    | <b>73,137,118</b>              | <b>3,302,924</b>   |
| 1100 Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (973,156)            | (2,806,851)          | (1,293,458)                    | 1,513,393  |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                      |                      |                                |  |
| 7949 Other Resources  | -                    | 129,200              | -                              | (129,200)  |
| 8911 Transfers Out (Use)  | (129,200)            | (129,200)            | (90,000)                       | 39,200   |
| <b>7080 Total Other Financing Sources (Uses)</b>                  | <b>(129,200)</b>     | <b>-</b>             | <b>(90,000)</b>                | <b>(90,000)</b>  |
| 1200 Net Change in Fund Balances                                  | (1,102,356)          | (2,806,851)          | (1,383,458)                    | 1,423,393  |
| 0100 Fund Balance - September 1 (Beginning)                       | 21,645,410           | 21,645,410           | 21,645,410                     | -  |
| <b>3000 Fund Balance - August 31 (Ending)</b>                     | <b>\$ 20,543,054</b> | <b>\$ 18,838,559</b> | <b>\$ 20,261,952</b>           | <b>\$ 1,423,393</b>  |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

|  | FY 2021<br>Plan Year 2020 | FY 2020<br>Plan Year 2019 | FY 2019<br>Plan Year 2018 |
|--|---------------------------|---------------------------|---------------------------|
| District's Proportion of the Net Pension Liability (Asset)   | 0.0128588%                | 0.0123466%                | 0.0116753%                |
| District's Proportionate Share of Net Pension Liability (Asset)  | \$ 6,886,929              | \$ 6,418,136              | \$ 6,426,347              |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District              | 11,901,780                | 10,931,710                | 12,762,211                |
| Total  | <hr/> <hr/> \$ 18,788,709 | <hr/> <hr/> \$ 17,349,846 | <hr/> <hr/> \$ 19,188,558 |
| District's Covered Payroll   | \$ 16,430,571             | \$ 15,687,088             | \$ 13,887,625             |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 41.92%                    | 40.91%                    | 46.27%                    |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                 | 75.24%                    | 75.24%                    | 73.74%                    |

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

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

| FY 2018<br>Plan Year 2017 | FY 2017<br>Plan Year 2016 | FY 2016<br>Plan Year 2015 | FY 2015<br>Plan Year 2014 |
|---------------------------|---------------------------|---------------------------|---------------------------|
| 1.1197019%                | 1.43106%                  | 1.63437%                  | 0.0114199%                |
| \$ 3,827,422              | \$ 5,407,775              | \$ 5,777,280              | \$ 3,050,412              |
| 7,312,046                 | 8,659,231                 | 8,634,779                 | 7,242,508                 |
| <hr/> <hr/> <hr/>         | <hr/> <hr/> <hr/>         | <hr/> <hr/> <hr/>         | <hr/> <hr/> <hr/>         |
| \$ 11,139,469             | \$ 14,067,007             | \$ 14,412,061             | \$ 10,292,920             |
| <hr/> <hr/> <hr/>         | <hr/> <hr/> <hr/>         | <hr/> <hr/> <hr/>         | <hr/> <hr/> <hr/>         |
| \$ 14,126,795             | \$ 14,126,795             | \$ 14,166,259             | \$ 13,951,435             |
| 27.09%                    | 38.28%                    | 40.78%                    | 21.86%                    |
| 82.17%                    | 78.00%                    | 78.43%                    | 83.25%                    |

CARRIZO SPRINGS CONSOLIDATED ISD  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR FISCAL YEAR 2021

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|   | 2021          | 2020          | 2019          |
|---|---------------|---------------|---------------|
| Contractually Required Contribution                                 | \$ 556,314    | \$ 535,758    | \$ 427,872    |
| Contribution in Relation to the Contractually Required Contribution | (556,314)     | (535,758)     | (427,872)     |
| Contribution Deficiency (Excess)                                    | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's Covered Payroll  | \$ 16,430,571 | \$ 15,687,088 | \$ 13,887,625 |
| Contributions as a Percentage of Covered Payroll                    | -             | -             | -             |

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

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

|    | 2018       | 2017          | 2016          | 2015          |
|----|------------|---------------|---------------|---------------|
| \$ | 382,813    | \$ 449,311    | \$ 436,792    | \$ 479,469    |
|    | (382,813)  | (449,311)     | (436,792)     | (479,469)     |
| \$ | -          | \$ -          | \$ -          | \$ -          |
|    |            |               |               |               |
| \$ | 14,429,699 | \$ 15,032,169 | \$ 14,354,571 | \$ 14,166,259 |
|    | -          | -             | -             | -             |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

|   | FY 2021<br>Plan Year 2020 | FY 2020<br>Plan Year 2019 | FY 2019<br>Plan Year 2018 | FY 2018<br>Plan Year 2017 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits                    | 0.019600961%              | 0.019330917%              | 0.018556308%              | \$ 0.00180617%            |
| District's Proportionate Share of Net OPEB Liability (Asset)  | \$ 7,451,211              | \$ 9,141,827              | \$ 9,265,334              | \$ 7,854,357              |
| State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District              | 10,012,641                | 12,147,444                | 12,312,037                | \$ 10,676,874             |
| Total   | <hr/> <hr/> \$ 17,463,852 | <hr/> <hr/> \$ 21,289,271 | <hr/> <hr/> \$ 21,577,371 | <hr/> <hr/> \$ 18,531,231 |
| District's Covered Payroll  | \$ 16,430,571             | \$ 15,687,078             | \$ 13,887,625             | \$ 14,429,699             |
| District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | 45.35%                    | 58.28%                    | 66.72%                    | 54.43%                    |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                                 | 2.66%                     | 2.66%                     | 1.57%                     | \$ 0.91%                  |

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

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

CARRIZO SPRINGS CONSOLIDATED ISD  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR FISCAL YEAR 2021

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|   | 2021          | 2020          | 2019          | 2018          |
|---|---------------|---------------|---------------|---------------|
| Contractually Required Contribution                                 | \$ 152,573    | \$ 141,631    | \$ 134,952    | \$ 129,667    |
| Contribution in Relation to the Contractually Required Contribution | (152,573)     | (141,631)     | (134,952)     | (129,667)     |
| Contribution Deficiency (Excess)                                    | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's Covered Payroll  | \$ 16,430,571 | \$ 15,687,078 | \$ 13,887,625 | \$ 14,429,699 |
| Contributions as a Percentage of Covered Payroll                    | 0.93%         | 0.90%         | 0.97%         | 0.90%         |

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.

CARRIZO SPRINGS CONOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended August, 31, 2021

A. Notes to Schedules for the TRS Pension

*Changes of Benefit Terms*

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

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

*Changes of Assumptions*

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

B. Notes to Schedules for the TRS OPEB

*Changes of Benefit Terms*

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

*Changes in Assumptions.*

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

- The discount rate changed from 2.63% as of August 31, 2019 to 2.23% as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50% to 40%. This changed lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50% to 4.25 % as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

## **COMBINING AND OTHER STATEMENTS**

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**Nonmajor Governmental Funds –  
Special Revenue Funds and Debt Service**

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2021**

| Data<br>Control<br>Codes                                 | 206                       | 211                        | 224               | 225             |
|--|---------------------------|----------------------------|-------------------|-----------------|
|  | ESEA                      | ESEA I, A                  | IDEA - Part B     | IDEA - Part B   |
|  | Title X, Pt.C<br>Homeless | Improving<br>Basic Program | Formula           | Preschool       |
| <b>ASSETS</b>  |                           |                            |                   |                 |
| 1110 Cash and Cash Equivalents                           | \$ -                      | \$ -                       | \$ -              | \$ 5,063        |
| 1220 Property Taxes - Delinquent                         | -                         | -                          | -                 | -               |
| 1230 Allowance for Uncollectible Taxes                   | -                         | -                          | -                 | -               |
| 1240 Due from Other Governments                          | -                         | 654,615                    | 301,851           | 2,229           |
| 1260 Due from Other Funds                                | -                         | -                          | -                 | -               |
| 1290 Other Receivables                                   | -                         | -                          | -                 | -               |
| 1000 Total Assets  | <u>\$ -</u>               | <u>\$ 654,615</u>          | <u>\$ 301,851</u> | <u>\$ 7,292</u> |
| <b>LIABILITIES</b>                                       |                           |                            |                   |                 |
| 2110 Accounts Payable                                    | \$ -                      | \$ 16                      | \$ -              | \$ -            |
| 2160 Accrued Wages Payable                               | -                         | 23,203                     | 16,847            | -               |
| 2170 Due to Other Funds                                  | -                         | 630,000                    | 283,607           | 2,229           |
| 2180 Due to Other Governments                            | -                         | -                          | -                 | 5,063           |
| 2200 Accrued Expenditures                                | -                         | 1,396                      | 1,397             | -               |
| 2300 Unearned Revenue                                    | -                         | -                          | -                 | -               |
| 2000 Total Liabilities                                   | <u>\$ -</u>               | <u>\$ 654,615</u>          | <u>\$ 301,851</u> | <u>\$ 7,292</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                           |                            |                   |                 |
| 2601 Unavailable Revenue - Property Taxes                | -                         | -                          | -                 | -               |
| 2600 Total Deferred Inflows of Resources                 | <u>-</u>                  | <u>-</u>                   | <u>-</u>          | <u>-</u>        |
| <b>FUND BALANCES</b>                                     |                           |                            |                   |                 |
| <b>Restricted Fund Balance:</b>                          |                           |                            |                   |                 |
| 3450 Federal or State Funds Grant Restriction            | -                         | -                          | -                 | -               |
| 3470 Capital Acquisition and Contractual Obligation      | -                         | -                          | -                 | -               |
| 3480 Retirement of Long-Term Debt                        | -                         | -                          | -                 | -               |
| <b>Assigned Fund Balance:</b>                            |                           |                            |                   |                 |
| 3590 Other Assigned Fund Balance                         | -                         | -                          | -                 | -               |
| 3600 Unassigned Fund Balance                             | -                         | -                          | -                 | -               |
| 3000 Total Fund Balances                                 | <u>-</u>                  | <u>-</u>                   | <u>-</u>          | <u>-</u>        |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ -</u>               | <u>\$ 654,615</u>          | <u>\$ 301,851</u> | <u>\$ 7,292</u> |

| 242                    | 244                                | 255                               | 266                            | 270                              | 282               | 289                                 | 301                   |
|------------------------|------------------------------------|-----------------------------------|--------------------------------|----------------------------------|-------------------|-------------------------------------|-----------------------|
| Summer Feeding Program | Career and Technical - Basic Grant | ESEA II,A Training and Recruiting | ESSER -School Emergency Relief | ESEA VI, Pt B Rural & Low Income | ESSER III Grant   | Other Federal Special Revenue Funds | SSA ESEA I, C Migrant |
| \$ 423,293             | \$ -                               | \$ -                              | \$ -                           | \$ -                             | \$ -              | \$ -                                | \$ -                  |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | 12,083                             | 34,435                            | 105,518                        | 24,048                           | 515,327           | 18,756                              | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| <b>\$ 423,293</b>      | <b>\$ 12,083</b>                   | <b>\$ 34,435</b>                  | <b>\$ 105,518</b>              | <b>\$ 24,048</b>                 | <b>\$ 515,327</b> | <b>\$ 18,756</b>                    | <b>\$ -</b>           |
| <b>\$ -</b>            | <b>\$ -</b>                        | <b>\$ -</b>                       | <b>\$ -</b>                    | <b>\$ -</b>                      | <b>\$ -</b>       | <b>\$ -</b>                         | <b>\$ -</b>           |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | 12,083                             | 34,435                            | 105,518                        | 24,048                           | 515,327           | 18,756                              | -                     |
| 1,356                  | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| 2,420                  | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| <b>3,776</b>           | <b>12,083</b>                      | <b>34,435</b>                     | <b>105,518</b>                 | <b>24,048</b>                    | <b>515,327</b>    | <b>18,756</b>                       | <b>-</b>              |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| <b>419,517</b>         | <b>-</b>                           | <b>-</b>                          | <b>-</b>                       | <b>-</b>                         | <b>-</b>          | <b>-</b>                            | <b>-</b>              |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -                 | -                                   | -                     |
| <b>419,517</b>         | <b>-</b>                           | <b>-</b>                          | <b>-</b>                       | <b>-</b>                         | <b>-</b>          | <b>-</b>                            | <b>-</b>              |
| <b>\$ 423,293</b>      | <b>\$ 12,083</b>                   | <b>\$ 34,435</b>                  | <b>\$ 105,518</b>              | <b>\$ 24,048</b>                 | <b>\$ 515,327</b> | <b>\$ 18,756</b>                    | <b>\$ -</b>           |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2021**

| Data<br>Control<br>Codes                                 | 410                     | 429                   | 461              | 481             |
|--|-------------------------|-----------------------|------------------|-----------------|
|  | State                   | Other State           | Campus           |                 |
|  | Instructional Materials | Special Revenue Funds | Activity Funds   | Wal-Mart        |
| <b>ASSETS</b>  |                         |                       |                  |                 |
| 1110 Cash and Cash Equivalents                           | \$ 88,116               | \$ -                  | \$ 64,872        | \$ 2,936        |
| 1220 Property Taxes - Delinquent                         | -                       | -                     | -                | -               |
| 1230 Allowance for Uncollectible Taxes                   | -                       | -                     | -                | -               |
| 1240 Due from Other Governments                          | -                       | 2,294                 | -                | -               |
| 1260 Due from Other Funds                                | -                       | -                     | -                | -               |
| 1290 Other Receivables                                   | -                       | -                     | -                | -               |
| 1000 Total Assets  | <u>\$ 88,116</u>        | <u>\$ 2,294</u>       | <u>\$ 64,872</u> | <u>\$ 2,936</u> |
| <b>LIABILITIES</b>                                       |                         |                       |                  |                 |
| 2110 Accounts Payable                                    | \$ -                    | \$ -                  | \$ -             | \$ -            |
| 2160 Accrued Wages Payable                               | -                       | -                     | -                | -               |
| 2170 Due to Other Funds                                  | -                       | 2,294                 | -                | -               |
| 2180 Due to Other Governments                            | -                       | -                     | -                | -               |
| 2200 Accrued Expenditures                                | -                       | -                     | -                | -               |
| 2300 Unearned Revenue                                    | 71,037                  | -                     | -                | -               |
| 2000 Total Liabilities                                   | <u>71,037</u>           | <u>2,294</u>          | <u>-</u>         | <u>-</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                         |                       |                  |                 |
| 2601 Unavailable Revenue - Property Taxes                | -                       | -                     | -                | -               |
| 2600 Total Deferred Inflows of Resources                 | -                       | -                     | -                | -               |
| <b>FUND BALANCES</b>                                     |                         |                       |                  |                 |
| <b>Restricted Fund Balance:</b>                          |                         |                       |                  |                 |
| 3450 Federal or State Funds Grant Restriction            | 17,079                  | -                     | -                | -               |
| 3470 Capital Acquisition and Contractual Obligation      | -                       | -                     | -                | -               |
| 3480 Retirement of Long-Term Debt                        | -                       | -                     | -                | -               |
| <b>Assigned Fund Balance:</b>                            |                         |                       |                  |                 |
| 3590 Other Assigned Fund Balance                         | -                       | -                     | 64,872           | -               |
| 3600 Unassigned Fund Balance                             | -                       | -                     | -                | 2,936           |
| 3000 Total Fund Balances                                 | <u>17,079</u>           | <u>-</u>              | <u>64,872</u>    | <u>2,936</u>    |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 88,116</u>        | <u>\$ 2,294</u>       | <u>\$ 64,872</u> | <u>\$ 2,936</u> |

| Total<br>Nonmajor<br>Special<br>Revenue Funds | 511<br>Debt<br>Service<br>Fund | 620<br>Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------|------------------------------------|--|
| \$ 584,280                                    | \$ 518,076                     | \$ 2,386,154                       | \$ 3,488,510                               |
| -   | 233,602                        | -                                  | 233,602                                    |
| -   | (11,680)                       | -                                  | (11,680)                                   |
| 1,671,156                                     | 2,094                          | -                                  | 1,673,250                                  |
| -   | 3,151                          | -                                  | 3,151                                      |
| -   | 3,352                          | -                                  | 3,352                                      |
| <u>\$ 2,255,436</u>                           | <u>\$ 748,595</u>              | <u>\$ 2,386,154</u>                | <u>\$ 5,390,185</u>                        |
| <br>  | <br>                           | <br>                               | <br>                                       |
| \$ 16   | \$ -                           | \$ -                               | \$ 16                                      |
| 40,050  | -                              | -                                  | 40,050                                     |
| 1,628,297                                     | -                              | -                                  | 1,628,297                                  |
| 6,419   | -                              | -                                  | 6,419                                      |
| 5,213   | -                              | -                                  | 5,213                                      |
| 71,037  | 33,965                         | -                                  | 105,002                                    |
| <u>1,751,032</u>                              | <u>33,965</u>                  | <u>-</u>                           | <u>1,784,997</u>                           |
| <br>  | <br>                           | <br>                               | <br>                                       |
| -   | 221,922                        | -                                  | 221,922                                    |
| -   | <u>221,922</u>                 | <u>-</u>                           | <u>221,922</u>                             |
| <br>  | <br>                           | <br>                               | <br>                                       |
| 436,596                                       | -                              | -                                  | 436,596                                    |
| -   | -                              | 2,386,154                          | 2,386,154                                  |
| -   | 492,708                        | -                                  | 492,708                                    |
| <br>  | <br>                           | <br>                               | <br>                                       |
| 64,872  | -                              | -                                  | 64,872                                     |
| 2,936   | -                              | -                                  | 2,936                                      |
| <u>504,404</u>                                | <u>492,708</u>                 | <u>2,386,154</u>                   | <u>3,383,266</u>                           |
| <br>  | <br>                           | <br>                               | <br>                                       |
| <u>\$ 2,255,436</u>                           | <u>\$ 748,595</u>              | <u>\$ 2,386,154</u>                | <u>\$ 5,390,185</u>                        |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

| Data<br>Control<br>Codes  | 206                       | 211                        | 224            | 225           |
|---|---------------------------|----------------------------|----------------|---------------|
|   | ESEA                      | ESEA I, A                  | IDEA - Part B  | IDEA - Part B |
|   | Title X, Pt.C<br>Homeless | Improving<br>Basic Program | Formula        | Preschool     |
| <b>REVENUES:</b>  |                           |                            |                |               |
| 5700 Total Local and Intermediate Sources                                 | \$ -                      | \$ -                       | \$ -           | \$ -          |
| 5800 State Program Revenues   | -                         | -                          | -              | -             |
| 5900 Federal Program Revenues   | 10,330                    | 1,146,764                  | 675,187        | 7,007         |
| <b>5020 Total Revenues</b>  | <b>10,330</b>             | <b>1,146,764</b>           | <b>675,187</b> | <b>7,007</b>  |
| <b>EXPENDITURES:</b>  |                           |                            |                |               |
| Current:  |                           |                            |                |               |
| 0011 Instruction  | 10,248                    | 733,735                    | 383,252        | 7,007         |
| 0013 Curriculum and Instructional Staff Development                       | -                         | 232,299                    | 22,767         | -             |
| 0021 Instructional Leadership   | 82                        | 129,274                    | 118,610        | -             |
| 0023 School Leadership  | -                         | 9,245                      | -              | -             |
| 0031 Guidance, Counseling, and Evaluation Services                        | -                         | -                          | 98,669         | -             |
| 0033 Health Services  | -                         | 2,020                      | -              | -             |
| 0034 Student (Pupil) Transportation                                       | -                         | 1,899                      | -              | -             |
| 0035 Food Services  | -                         | -                          | -              | -             |
| 0036 Extracurricular Activities   | -                         | -                          | -              | -             |
| 0041 General Administration   | -                         | -                          | -              | -             |
| 0052 Security and Monitoring Services                                     | -                         | -                          | -              | -             |
| 0061 Community Services   | -                         | 38,292                     | 4,000          | -             |
| 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                     | -                         | -                          | 47,889         | -             |
| <b>6030 Total Expenditures</b>  | <b>10,330</b>             | <b>1,146,764</b>           | <b>675,187</b> | <b>7,007</b>  |
| <b>1100 Excess (Deficiency) of Revenues Over (Under)<br/>Expenditures</b> | <b>-</b>                  | <b>-</b>                   | <b>-</b>       | <b>-</b>      |
| <b>OTHER FINANCING SOURCES (USES):</b>                                    |                           |                            |                |               |
| 7911 Capital Related Debt Issued  | -                         | -                          | -              | -             |
| 7915 Transfers In   | -                         | -                          | -              | -             |
| 7916 Premium or Discount on Issuance of Bonds                             | -                         | -                          | -              | -             |
| 8949 Other (Uses)   | -                         | -                          | -              | -             |
| <b>7080 Total Other Financing Sources (Uses)</b>                          | <b>-</b>                  | <b>-</b>                   | <b>-</b>       | <b>-</b>      |
| <b>1200 Net Change in Fund Balance</b>                                    | <b>-</b>                  | <b>-</b>                   | <b>-</b>       | <b>-</b>      |
| <b>0100 Fund Balance - September 1 (Beginning)</b>                        | <b>-</b>                  | <b>-</b>                   | <b>-</b>       | <b>-</b>      |
| <b>3000 Fund Balance - August 31 (Ending)</b>                             | <b>\$ -</b>               | <b>\$ -</b>                | <b>\$ -</b>    | <b>\$ -</b>   |

| 242                    | 244                                | 255                               | 266                            | 270                              | 282             | 289                                 | 301                   |
|------------------------|------------------------------------|-----------------------------------|--------------------------------|----------------------------------|-----------------|-------------------------------------|-----------------------|
| Summer Feeding Program | Career and Technical - Basic Grant | ESEA II,A Training and Recruiting | ESSER -School Emergency Relief | ESEA VI, Pt B Rural & Low Income | ESSER III Grant | Other Federal Special Revenue Funds | SSA ESEA I, C Migrant |
| \$ -                   | \$ -                               | \$ -                              | \$ -                           | \$ -                             | \$ -            | \$ -                                | \$ -                  |
| -                      | -                                  | -                                 | 58,105                         | -                                | -               | -                                   | 2,386                 |
| -                      | 17,483                             | 80,505                            | 853,451                        | 28,829                           | 515,327         | 74,587                              | 38,204                |
| -                      | 17,483                             | 80,505                            | 911,556                        | 28,829                           | 515,327         | 74,587                              | 40,590                |
|                        |                                    |                                   |                                |                                  |                 |                                     |                       |
| -                      | 13,862                             | 58,188                            | 911,556                        | 4,400                            | 499,581         | 37,412                              | -                     |
| -                      | 3,621                              | 16,970                            | -                              | 13,025                           | -               | 30,985                              | -                     |
| -                      | -                                  | 4,572                             | -                              | 1,080                            | -               | 2,190                               | 9                     |
| -                      | -                                  | -                                 | -                              | -                                | 5,738           | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | 1,768                            | 2,908           | 4,000                               | 40,581                |
| -                      | -                                  | -                                 | -                              | -                                | 3,954           | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | 3,146           | -                                   | -                     |
| 110,016                | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | 775                               | -                              | 8,556                            | -               | -                                   | -                     |
|                        |                                    |                                   |                                |                                  |                 |                                     |                       |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
|                        |                                    |                                   |                                |                                  |                 |                                     |                       |
| 110,016                | 17,483                             | 80,505                            | 911,556                        | 28,829                           | 515,327         | 74,587                              | 40,590                |
| (110,016)              | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
|                        |                                    |                                   |                                |                                  |                 |                                     |                       |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| -                      | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
|                        |                                    |                                   |                                |                                  |                 |                                     |                       |
| (110,016)              | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
| 529,533                | -                                  | -                                 | -                              | -                                | -               | -                                   | -                     |
|                        |                                    |                                   |                                |                                  |                 |                                     |                       |
| \$ 419,517             | \$ -                               | \$ -                              | \$ -                           | \$ -                             | \$ -            | \$ -                                | \$ -                  |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

| Data<br>Control<br>Codes  | 410                     | 429                   | 461              | 481             |
|---|-------------------------|-----------------------|------------------|-----------------|
|   | State                   | Other State           | Campus           |                 |
|   | Instructional Materials | Special Revenue Funds | Activity Funds   | Wal-Mart        |
| <b>REVENUES:</b>  |                         |                       |                  |                 |
| 5700 Total Local and Intermediate Sources                                 | \$ -                    | \$ -                  | \$ 12,706        | \$ -            |
| 5800 State Program Revenues   | 46,095                  | 33,648                | -                | -               |
| 5900 Federal Program Revenues   | -                       | -                     | -                | -               |
| <b>5020 Total Revenues</b>  | <b>46,095</b>           | <b>33,648</b>         | <b>12,706</b>    | <b>-</b>        |
| <b>EXPENDITURES:</b>  |                         |                       |                  |                 |
| Current:  |                         |                       |                  |                 |
| 0011 Instruction  | 45,725                  | -                     | -                | -               |
| 0013 Curriculum and Instructional Staff Development                       | -                       | -                     | -                | -               |
| 0021 Instructional Leadership   | -                       | -                     | -                | -               |
| 0023 School Leadership  | -                       | -                     | -                | -               |
| 0031 Guidance, Counseling, and Evaluation Services                        | -                       | -                     | -                | -               |
| 0033 Health Services  | -                       | -                     | -                | -               |
| 0034 Student (Pupil) Transportation                                       | -                       | -                     | -                | -               |
| 0035 Food Services  | -                       | -                     | -                | -               |
| 0036 Extracurricular Activities   | -                       | -                     | 12,293           | -               |
| 0041 General Administration   | 370                     | -                     | -                | -               |
| 0052 Security and Monitoring Services                                     | -                       | 33,648                | -                | -               |
| 0061 Community Services   | -                       | -                     | -                | 1,979           |
| 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                     | -                       | -                     | -                | -               |
| <b>6030 Total Expenditures</b>  | <b>46,095</b>           | <b>33,648</b>         | <b>12,293</b>    | <b>1,979</b>    |
| <b>1100 Excess (Deficiency) of Revenues Over (Under)<br/>Expenditures</b> | <b>-</b>                | <b>-</b>              | <b>413</b>       | <b>(1,979)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                                    |                         |                       |                  |                 |
| 7911 Capital Related Debt Issued  | -                       | -                     | -                | -               |
| 7915 Transfers In   | -                       | -                     | -                | -               |
| 7916 Premium or Discount on Issuance of Bonds                             | -                       | -                     | -                | -               |
| 8949 Other (Uses)   | -                       | -                     | -                | -               |
| <b>7080 Total Other Financing Sources (Uses)</b>                          | <b>-</b>                | <b>-</b>              | <b>-</b>         | <b>-</b>        |
| <b>1200 Net Change in Fund Balance</b>                                    | <b>-</b>                | <b>-</b>              | <b>413</b>       | <b>(1,979)</b>  |
| <b>0100 Fund Balance - September 1 (Beginning)</b>                        | <b>17,079</b>           | <b>-</b>              | <b>64,459</b>    | <b>4,915</b>    |
| <b>3000 Fund Balance - August 31 (Ending)</b>                             | <b>\$ 17,079</b>        | <b>\$ -</b>           | <b>\$ 64,872</b> | <b>\$ 2,936</b> |

| Total<br>Nonmajor<br>Special<br>Revenue Funds | 511<br>Debt<br>Service<br>Fund | 620<br>Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------|------------------------------------|--|
| \$ 12,706                                     | \$ 3,086,379                   | \$ 6,347                           | \$ 3,105,432                               |
| 140,234                                       | 10,507                         | -                                  | 150,741                                    |
| <u>3,447,674</u>                              | <u>-</u>                       | <u>-</u>                           | <u>3,447,674</u>                           |
| <u>3,600,614</u>                              | <u>3,096,886</u>               | <u>6,347</u>                       | <u>6,703,847</u>                           |
| 2,704,966                                     | -                              | -                                  | 2,704,966                                  |
| 319,667                                       | -                              | -                                  | 319,667                                    |
| 255,817                                       | -                              | -                                  | 255,817                                    |
| 14,983  | -                              | -                                  | 14,983                                     |
| 147,926                                       | -                              | -                                  | 147,926                                    |
| 5,974   | -                              | -                                  | 5,974                                      |
| 5,045   | -                              | -                                  | 5,045                                      |
| 110,016                                       | -                              | -                                  | 110,016                                    |
| 12,293  | -                              | -                                  | 12,293                                     |
| 370   | -                              | -                                  | 370  |
| 33,648  | -                              | -                                  | 33,648                                     |
| 53,602  | -                              | -                                  | 53,602                                     |
| -   | 1,780,000                      | -                                  | 1,780,000                                  |
| -   | 1,244,927                      | -                                  | 1,244,927                                  |
| -   | 216,460                        | -                                  | 216,460                                    |
| <u>47,889</u>                                 | <u>-</u>                       | <u>-</u>                           | <u>47,889</u>                              |
| <u>3,712,196</u>                              | <u>3,241,387</u>               | <u>-</u>                           | <u>6,953,583</u>                           |
| <u>(111,582)</u>                              | <u>(144,501)</u>               | <u>6,347</u>                       | <u>(249,736)</u>                           |
| -   | 11,500,000                     | -                                  | 11,500,000                                 |
| -   | -                              | 90,000                             | 90,000                                     |
| -   | 1,419,502                      | -                                  | 1,419,502                                  |
| -   | (12,706,542)                   | -                                  | (12,706,542)                               |
| -   | 212,960                        | 90,000                             | 302,960                                    |
| (111,582)                                     | 68,459                         | 96,347                             | 53,224                                     |
| 615,986                                       | 424,249                        | 2,289,807                          | 3,330,042                                  |
| \$ 504,404                                    | \$ 492,708                     | \$ 2,386,154                       | \$ 3,383,266                               |

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## **TEA REQUIRED SCHEDULES**

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FISCAL YEAR ENDED AUGUST 31, 2021**

| Last 10 Years Ended<br>August 31 | (1)         | (2)          | (3)  |
|----------------------------------|-------------|--------------|--|
|                                  | Tax Rates   |              | Assessed/Appraised<br>Value for School<br>Tax Purposes |
|                                  | Maintenance | Debt Service |  |
| 2012 and prior years             | Various     | Various      | \$ Various   |
| 2013                             | 1.040000    | 0.100200     | 2,478,619,273  |
| 2014                             | 1.060000    | 0.067000     | 5,010,098,049  |
| 2015                             | 1.040000    | 0.100200     | 6,826,581,614  |
| 2016                             | 1.060000    | 0.053300     | 5,929,822,282  |
| 2017                             | 1.060000    | 0.092300     | 3,517,297,934  |
| 2018                             | 1.060000    | 0.056100     | 5,264,725,979  |
| 2019                             | 1.060000    | 0.056708     | 5,727,013,220  |
| 2020                             | 0.990000    | 0.046000     | 7,335,979,998  |
| 2021 (School year under audit)   | 0.976400    | 0.044200     | 6,882,035,470  |
| 1000                             | TOTALS      |              |  |

| (10)<br>Beginning<br>Balance<br>9/1/2020 | (20)<br>Current<br>Year's<br>Total Levy | (31)<br>Maintenance<br>Collections | (32)<br>Debt Service<br>Collections | (40)<br>Entire<br>Year's<br>Adjustments | (50)<br>Ending<br>Balance<br>8/31/2021 |
|--|---|------------------------------------|-------------------------------------|---|--|
| \$ 1,692,559                             | \$ -                                    | \$ 46,989                          | \$ 3,332                            | \$ (133,302)                            | \$ 1,508,936                           |
| 208,663                                  | -                                       | 9,335                              | 899                                 | (1,818)                                 | 196,611                                |
| 250,765                                  | -                                       | 13,591                             | 864                                 | (1,714)                                 | 234,596                                |
| 343,820                                  | -                                       | 27,230                             | 1,084                               | (2,378)                                 | 313,128                                |
| 418,903                                  | -                                       | 27,800                             | 1,398                               | (6,499)                                 | 383,206                                |
| 552,795                                  | -                                       | 55,679                             | 4,848                               | (6,528)                                 | 485,740                                |
| 559,580                                  | -                                       | 75,579                             | 4,000                               | (6,329)                                 | 473,672                                |
| 625,775                                  | -                                       | 113,714                            | 6,084                               | (13,019)                                | 492,958                                |
| 866,988                                  | -                                       | 307,953                            | 14,309                              | 16,753                                  | 561,479                                |
| -  | 70,337,324                              | 66,571,719                         | 3,013,589                           | (8,346)                                 | 743,670                                |
| <b>\$ 5,519,848</b>                      | <b>\$ 70,337,324</b>                    | <b>\$ 67,249,589</b>               | <b>\$ 3,050,407</b>                 | <b>\$ (163,180)</b>                     | <b>\$ 5,393,996</b>                    |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

| Data<br>Control<br>Codes  | Budgeted Amounts    |                  | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---|---------------------|------------------|--------------------------------|--|
|   | Original            | Final            |                                |  |
| <b>REVENUES:</b>  |                     |                  |                                |  |
| 5700 Total Local and Intermediate Sources                         | \$ 72,000           | \$ 72,000        | \$ 14,088                      | \$ (57,912)  |
| 5800 State Program Revenues                                       | 9,000               | 9,000            | 68,766                         | 59,766   |
| 5900 Federal Program Revenues                                     | 1,668,947           | 1,668,947        | 2,441,910                      | 772,963  |
| <b>5020 Total Revenues</b>  | <b>1,749,947</b>    | <b>1,749,947</b> | <b>2,524,764</b>               | <b>774,817</b>   |
| <b>EXPENDITURES:</b>  |                     |                  |                                |  |
| Current:  |                     |                  |                                |  |
| 0035 Food Services  | 1,879,147           | 1,879,147        | 1,888,329                      | (9,182)  |
| <b>6030 Total Expenditures</b>                                    | <b>1,879,147</b>    | <b>1,879,147</b> | <b>1,888,329</b>               | <b>(9,182)</b>   |
| 1100 Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | (129,200)           | (129,200)        | 636,435                        | 765,635  |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                     |                  |                                |  |
| 7949 Other Resources  | 129,200             | 129,200          | -                              | (129,200)  |
| <b>1200 Net Change in Fund Balances</b>                           | <b>-</b>            | <b>-</b>         | <b>636,435</b>                 | <b>636,435</b>   |
| 0100 Fund Balance - September 1 (Beginning)                       | (209,359)           | -                | (209,359)                      | (209,359)  |
| <b>3000 Fund Balance - August 31 (Ending)</b>                     | <b>\$ (209,359)</b> | <b>\$ -</b>      | <b>\$ 427,076</b>              | <b>\$ 427,076</b>  |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

| Data<br>Control<br>Codes  | Budgeted Amounts  |                   | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---|-------------------|-------------------|--------------------------------|--|
|   | Original          | Final             |                                |  |
| <b>REVENUES:</b>  |                   |                   |                                |  |
| 5700 Total Local and Intermediate Sources                         | \$ 3,022,289      | \$ 3,090,484      | \$ 3,086,379                   | \$ (4,105)   |
| 5800 State Program Revenues                                       | -                 | 7,013             | 10,507                         | 3,494  |
| 5020 Total Revenues   | <u>3,022,289</u>  | <u>3,097,497</u>  | <u>3,096,886</u>               | <u>(611)</u>   |
| <b>EXPENDITURES:</b>  |                   |                   |                                |  |
| Debt Service:   |                   |                   |                                |  |
| 0071 Principal on Long-Term Debt                                  | 3,029,302         | 1,738,700         | 1,780,000                      | (41,300)   |
| 0072 Interest on Long-Term Debt                                   | -                 | 1,287,602         | 1,244,927                      | 42,675   |
| 0073 Bond Issuance Cost and Fees                                  | -                 | 71,195            | 216,460                        | (145,265)  |
| 6030 Total Expenditures   | <u>3,029,302</u>  | <u>3,097,497</u>  | <u>3,241,387</u>               | <u>(143,890)</u>   |
| 1100 Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | <u>(7,013)</u>    | <u>-</u>          | <u>(144,501)</u>               | <u>(144,501)</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                   |                   |                                |  |
| 7911 Capital Related Debt Issued                                  | -                 | -                 | 11,500,000                     | 11,500,000   |
| 7916 Premium or Discount on Issuance of Bonds                     | -                 | -                 | 1,419,502                      | 1,419,502  |
| 8949 Other (Uses)   | -                 | -                 | (12,706,542)                   | (12,706,542)   |
| 7080 Total Other Financing Sources (Uses)                         | <u>-</u>          | <u>-</u>          | <u>212,960</u>                 | <u>212,960</u>   |
| 1200 Net Change in Fund Balances                                  | <u>(7,013)</u>    | <u>-</u>          | <u>68,459</u>                  | <u>68,459</u>  |
| 0100 Fund Balance - September 1 (Beginning)                       | <u>424,249</u>    | <u>424,249</u>    | <u>424,249</u>                 | <u>-</u>   |
| 3000 Fund Balance - August 31 (Ending)                            | <u>\$ 417,236</u> | <u>\$ 424,249</u> | <u>\$ 492,708</u>              | <u>\$ 68,459</u>   |

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## **FEDERAL AWARDS SECTION**

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# Garza/Gonzalez & Associates

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CERTIFIED PUBLIC ACCOUNTANTS

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

Board of School Trustees  
Carrizo Springs Consolidated Independent School District  
Carrizo Springs, 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 the Carrizo Springs Consolidated Independent School District (the District), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 7, 2022.

### **Internal Control Over Financial Reporting**

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

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

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

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## **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*.

We noted a certain matter that we reported to management of the district in a separate letter dated January 7, 2022.

## **Management's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.

A handwritten signature in black ink. The name "George J. Gonzalez" is written in cursive, with "CPA" and "Associate" written below it in a smaller, also cursive, font.

January 7, 2022

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# Garza/Gonzalez & Associates

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CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of School Trustees  
Carrizo Springs Consolidated Independent School District  
Carrizo Springs, Texas

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

We have audited Carrizo Springs 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 years ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

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### ***Opinions 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 years ended August 31, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

### **Purposes of this Report**

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.



January 7, 2022

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CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended August 31, 2021

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

| <i>Financial Statements</i>   |   |  |  |
|---|---|--|--|
| Type of auditor’s report issued:  | <u>Unmodified</u>                       |  |  |
| Internal control over financial reporting:                                      | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |  |
| • Material weakness (es) identified?  |   |  |  |
| • Significant deficiencies identified not considered to be material weaknesses? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> None Reported |  |
| Noncompliance material to financial statements noted?                           | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |  |

| <i>Federal Awards</i>  |                              |   |  |
|--|------------------------------|---|--|
| Internal control over major programs:  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No            |  |
| • Material weakness (es) identified?   |                              |   |  |
| • Significant deficiencies identified not considered to be material weaknesses?                              | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None Reported |  |
| Type of auditor’s report issued on compliance for Major programs   | <u>Unmodified</u>            |   |  |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section. 200.516(a)? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No            |  |

| <i>Identification of Major Programs</i>                                  |   |  |
|--|---|--|
| CFDA Numbers(s)  | Name of Federal Program or Cluster  |  |
| 84.425 D, U  | Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act |  |
| 84.010   | ESEA, Title I, Part A- Improving Basic Programs   |  |
| Dollar threshold used to distinguish between Type A and Type B programs: |   | \$750,000                              |
| Auditee qualified as low-risk auditee?                                   | <input type="checkbox"/> Yes  | <input checked="" type="checkbox"/> No |

(Continued)

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

SCHEDEULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2021

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding No. 2021-II-001 General Ledger Review and Reconciliation**

**Type of Finding: Significant Deficiency**

*Criteria:* The general ledger accounts must be timely and accurately reconciled throughout the year. A review of the year end balances should also be performed prior to the audit to ensure that the financial statements are free of material misstatements. Such monthly and year end reviews and reconciliations are an integral part of the internal control to effectively manage, monitor and report the financial operations of the District.

*Condition:* The general ledger was not timely reconciled throughout the year. Significant adjusting entries were required to be prepared and posted to the District's general ledger several months after the year end to correct misstatements. Such adjustments affected payroll liabilities, federal and state revenues, cash, accounts payable, fund balance, and due to/from state and revenues and expenditures.

*Cause:* A contributing factor to this condition was due to staff turnover in key management/accounting positions during the year.

*Recommendation:* We recommend the District strengthen controls and ensure the general ledger accounts are reconciled on a monthly basis and prior to the annual financial audit. In addition, we recommend the District assess the accounting department's staffing and ensure staff positions are adequate to carry out the accounting functions in a timely manner.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

There were no federal award findings nor questioned costs required to be reported in accordance with Uniform Guidance Section 200.516(a).

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

PLANNED CORRECTIVE ACTION

For The Year Ended August 31, 2021

**Finding 2021-II-1- General Ledger Review and Reconciliation**

**Type of Finding: Significant Deficiency**

**Planned Corrective Action and Timeline**

Carrizo Springs CISD concurs with the finding regarding General Ledger Review and Reconciliation. The District has weathered staff turnover in the Executive Director for Financial Services and Bookkeeper roles that contributed to these tasks standing unfulfilled in a timely manner. With the appointment of an Executive Director for Financial Services and employment of an Accountant with experience in governmental accounting, more time and effort has been spent to address prior carryover balances and reconciling issues. The District will continue to follow the following implemented procedures and adapt as necessary:

- 1) Review and reconciliation of the general ledger, journal entries and bank reconciliations will be done monthly by the Accountant. Written acknowledgement (signature) indicating review will be done by Executive Director for Financial Services.
- 2) An annual review of year end balances will be done jointly prior to end of year audit by Accountant and Executive Director for Financial Services.
- 3) Additional areas needing closer oversight by the Business Office are to be addressed via training through TASBO or ESC 20 workshops. Staff will attend training within their area and focus on job specific functions, technological applications to improve productivity and updates on regulations and laws.

**Responsible Staff:**

- Luis Gomez, Accountant – Prepares bank reconciliations, prepares journal entries and analyzes general ledger discrepancies.
- Eddie Ramirez, Executive Director for Financial Services – Final approval for bank reconciliations, journal entries and any necessary action to address general ledger discrepancies

CARRIZO SPRINGS CONSOLIDATED  
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SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year Ended August 31, 2021

There were no prior year findings reported

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

| (1)<br>FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM or CLUSTER TITLE | (2)<br>Federal<br>Assistance<br>Listing No. | (3)<br>Pass-Through<br>Entity Identifying<br>Number | (4)<br>Federal<br>Expenditures |
|--|---|---|--------------------------------|
| <b>U.S. DEPARTMENT OF DEFENSE</b>  |   |   |                                |
| <u>Direct Programs</u>   |   |   |                                |
| Junior Reserve Officers Training Corp (JROTC)                                | 12.NA                                       |   | \$ 34,368                      |
| Total Direct Programs  |   |   | <u>34,368</u>                  |
| <b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>                                      |   |   | <u>34,368</u>                  |
| <b>U.S. DEPARTMENT OF EDUCATION</b>  |   |   |                                |
| <u>Passed Through State Department of Education</u>                          |   |   |                                |
| ESEA, Title I, Part A - Improving Basic Programs                             | 84.010A                                     | 20610101064903                                      | 117,679                        |
| ESEA, Title I, Part A - Improving Basic Programs                             | 84.010A                                     | 21610101064903                                      | <u>1,029,085</u>               |
| Total Assistance Listing Number 84.010A                                      |   |   | <u>1,146,764</u>               |
| SSA - ESEA, Title I Part C - Migratory Children                              | 84.011                                      | 420-0-01  | 38,204                         |
| *IDEA - Part B, Formula  | 84.027                                      | 206600010649036600                                  | 211,956                        |
| *IDEA - Part B, Formula  | 84.027                                      | 216600010649036600                                  | <u>463,231</u>                 |
| Total Assistance Listing Number 84.027                                       |   |   | <u>675,187</u>                 |
| Total Special Education Cluster (IDEA)                                       |   |   | <u>682,194</u>                 |
| Career and Technical - Basic Grant   | 84.048                                      | 21420006064903                                      | 17,483                         |
| *IDEA - Part B, Preschool  | 84.173                                      | 206610010649036610                                  | 4,778                          |
| *IDEA - Part B, Preschool  | 84.173                                      | 216610010649036610                                  | <u>2,229</u>                   |
| Total Assistance Listing Number 84.173                                       |   |   | <u>7,007</u>                   |
| Total Special Education Cluster (IDEA)                                       |   |   | <u>682,194</u>                 |
| ESEA, Title X, Part C -Homeless Children                                     | 84.196                                      | 662-1-02  | 10,330                         |
| ESEA, Title VI, Part B - Rural & Low Income Prog.                            | 84.358B                                     | 20696001064903                                      | 9,530                          |
| ESEA, Title VI, Part B - Rural & Low Income Prog.                            | 84.358B                                     | 21696001064903                                      | <u>19,299</u>                  |
| Total Assistance Listing Number 84.358B                                      |   |   | <u>28,829</u>                  |
| ESEA, Title II, Part A, Teacher Principal Training                           | 84.367A                                     | 20694501064903                                      | 21,220                         |
| ESEA, Title II, Part A, Teacher Principal Training                           | 84.367A                                     | 21694501064903                                      | <u>59,285</u>                  |
| Total Assistance Listing Number 84.367A                                      |   |   | <u>80,505</u>                  |
| Elementary & Secondary School Emergency Relief Fd                            | 84.425D                                     | 20521001064903                                      | 853,451                        |
| ESSER- PPRP-Operation Connectivity   | 84.425D                                     | 21521001064903                                      | 407,116                        |
| Elementary Secondary School Emergency Relief III                             | 84.425U                                     | 21528001064903                                      | <u>515,327</u>                 |
| Total Assistance Listing Number 84.425                                       |   |   | <u>1,775,894</u>               |
| Title IV, Part A, Subpart 1  | 84.424A                                     | 20680101064903                                      | 9,205                          |
| Title IV, Part A, Subpart 1  | 84.424A                                     | 21680101064903                                      | <u>65,383</u>                  |
| Total Assistance Listing Number 84.424A                                      |   |   | <u>74,588</u>                  |
| Total Passed Through State Department of Education                           |   |   | <u>3,854,791</u>               |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>                                    |   |   | <u>3,854,791</u>               |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>  |   |   |                                |
| <u>Passed Through the State Department of Agriculture</u>                    |   |   |                                |
| *School Breakfast Program  | 10.553                                      | 71402001  | 59,612                         |
| *National School Lunch Program - Cash Assistance                             | 10.555                                      | 71302001  | <u>167,836</u>                 |

**CARRIZO SPRINGS CONSOLIDATED ISD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

| (1)<br>FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM or CLUSTER TITLE | (2)<br>Federal<br>Assistance<br>Listing No. | (3)<br>Pass-Through<br>Entity Identifying<br>Number | (4)<br>Federal<br>Expenditures |
|--|---|---|--------------------------------|
| *National School Lunch Prog - Non-Cash Assistance                            | 10.555                                      | 71302001  | 9,752                          |
| Total Assistance Listing Number 10.555                                       |   |   | 177,588                        |
| *Summer Feeding Program - Cash Assistance                                    | 10.559                                      |   | 1,723,221                      |
| Total Child Nutrition Cluster  |   |   | 1,960,421                      |
| Child & Adult Care Food Program - Cash Assistance                            | 10.558                                      |   | 481,488                        |
| Total Passed Through the State Department of Agriculture                     |   |   | 2,441,909                      |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                                  |   |   | <b>2,441,909</b>               |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                  |   |   | <b>\$ 6,331,068</b>            |

\*Clustered Programs

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended August 31, 2021

1. The District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and State financial assistance generally is accounted for in the Special Revenue Funds. All Federal grant funds, with the exception of funds for Army JROTC, and the Child Nutrition Cluster funds were accounted for in this Fund which is a Governmental Fund type. Generally, unused balances must be returned to the grantor at the close of specified project periods.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of performance for most federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with 2CFR 200, period of performance.
4. Expenditures for the National School Lunch and Breakfast Program are not specifically attributed to the revenue source and are shown on this schedule in an amount equal to revenue. Commodity Supplemental Food Program receipts represent USDA donated commodities received during the year. The related expenditures relate to the issuance of the commodities to the District's campuses.
5. The School Health Related Services (SHARS) revenues of \$195,977 are reported as federal revenues in the general fund; however, based on TEA requirements, SHAROS revenue is not considered federal financial assistance and is therefore not included in the Schedule of Expenditures of Federal Awards.

CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
Carrizo Springs, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended August 31, 2021

6. In fiscal year 2021, the District had no subrecipients, loans, or loan guarantees.
7. The District did not elect to use the 10% de minimus indirect cost rate as provided by the Uniform Guidance.
8. Reconciliation of the total expenditures of federal awards as reported in the Schedule of Expenditures of Federal Awards to total federal revenues reported in Exhibit C-3.

|  |                     |
|--|---------------------|
| - Total Expenditures of Federal Awards (Exhibit K-1) | \$ <u>6,331,068</u> |
| - Total Federal Program Revenues (Exhibit C-3)       | \$ 6,527,045        |
| Less: SHARS Revenue (excluded from Exhibit K-1)      | <u>(195,977)</u>    |
|  | <u>\$ 6,331,068</u> |

9. During the year, the District received \$407,116 through the ESSER Fund Operation Connectivity Prior Purchase Reimbursement Program (PPRP). These federal funds were recorded in the District's general fund since they were used to offset qualifying costs incurred in fiscal year 2020, in connection with the COVID-19 pandemic. The federal revenues are reflected in the Schedule of Expenditures of Federal Awards as of August 31, 2021.

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