

JOURDANTON INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
AUGUST 31, 2021

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ANNUAL FINANCIAL REPORT
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TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	CERTIFICATE OF BOARD	3
	Independent Auditor's Report	4-6
	Management's Discussion and Analysis	7-13
	<u>Basic Financial Statements</u>	
	Government Wide Statements:	
A-1	Statement of Net Position	14
B-1	Statement of Activities	15
	Governmental Fund Financial Statements:	
C-1	Balance Sheet	16
C-2	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balance	18
C-4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
	Fiduciary Fund Financial Statements:	
E-1	Statement of Fiduciary Net Position	20
E-2	Statement of Changes in Fiduciary Fund Net Position	21
	Notes to the Financial Statements	22-53
	<u>Required Supplementary Information</u>	
G-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	54
G-2	Schedule of the District's Proportionate Share of the Net Pension Liability	55-56
G-3	Schedule of District's Contributions for Pensions	57-58
G-4	Schedule of the District's Proportionate Share of the Net OPEB Liability	59
G-5	Schedule of the District's Contributions for Other Post-Employment Benefits	60
	Notes to Required Supplementary Information	61
	<u>Combining Statements</u>	
	Nonmajor Governmental Funds:	
H-1	Combining Balance Sheet	62-65
H-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	66-69
	<u>T.E.A. Required Schedules</u>	
J-1	Schedule of Delinquent Taxes Receivable	70-71
J-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Child Nutrition Program	72
J-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Debt Service Fund	73
J-4	State Compensatory Educaion and Bilingual Education Program Expenditures	74

TABLE OF CONTENTS (CONTINUED)

<u>Exhibit</u>		<u>Page</u>
	<u>Federal Section</u>	
	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 <i>Government Auditing Standards</i>	75-76
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	77-78
	Schedule of Findings and Questioned Costs	79-80
	Summary Schedule of Prior Audit Findings	81
	Corrective Action Plan	82
K-1	Schedule of Expenditures of Federal Awards	83
	Notes on Accounting Policies for Federal Awards	84
L-1	School's First Questionnaire	

CERTIFICATE OF BOARD

Jourdanton Independent School District
Name of School District

Atascosa
County

007902
Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the 13th of December, 2021.



Signature of Board Secretary



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)

COLEMAN, HORTON & COMPANY, LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

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 Jourdanton Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Jourdanton Independent School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District's Contributions for Pensions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of District's Contributions for Other Post-Employment Benefits on pages 7-13 and 54-60 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 Jourdanton Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The Texas Education Agency requires School Districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in exhibits identified in the Table of Contents as J-1 through J-4. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Coleman, Horton and Company, LLP

Uvalde, Texas
November 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The annual financial report of Jourdanton Independent School District (the District) is presented in six sections, Management's Discussion and Analysis (this part), Basic Financial Statements, Required Supplementary Information, Combining And Other Statements, Required TEA Supplementary Information, and Federal Section. This section of the District's annual financial report presents our discussion and analysis of the financial performance during the year ending August 31, 2021. Please read it in conjunction with the District's financial section, which follows.

Overview of the Basic Financial Statements

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

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

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required TEA supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- * *Governmental funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, then explain the relationship (or differences) between them.
- * *Custodial funds* - The District is the custodian, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of custodial net position and a statement of changes in custodial fund net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Financial Highlights

- * The District's combined net position was \$10,810,256 at August 31, 2021, an increase of \$2,166,298 from day to day operations and an increase of \$754 from an adjustment recognizing the effects of GASB 84, Fiduciary Activities for a total increase of \$2,167,052.
- * During the year, the District's revenue was \$23,838,486 as reflected below:

Governmental Activities			
	Current	Prior	
	Year	Year	Change
a) Taxes	\$ 12,434,474	\$ 14,522,556	\$ (2,088,082)
b) State Aid	8,297,527	6,960,181	1,337,346
c) Federal Aid	2,029,538	1,484,641	544,897
d) Investment Earnings	99,573	126,458	(26,885)
e) Other	977,374	852,606	124,768
Total	<u>\$ 23,838,486</u>	<u>\$ 23,946,442</u>	<u>\$ (107,956)</u>

- * During the year the District's expenses were \$21,672,188 as reflected below:

Governmental Activities				
	Current		Prior	
	Year		Year	Change
a) Instruction and instructional related	\$ 11,577,906	\$	11,483,131	\$ 94,775
b) Instruction leadership/school leadership	1,508,597		1,501,662	6,935
c) Guidance, social work, health, transportation	1,308,699		1,384,206	(75,507)
d) Food services	1,062,318		1,155,186	(92,868)
e) Extracurricular activities	1,073,591		1,016,902	56,689
f) General administration	826,316		869,835	(43,519)
g) Plant maintenance and security	2,180,486		2,175,301	5,185
h) Data processing services	498,421		300,654	197,767
i) Community services	3,905		5,711	(1,806)
j) Debt services	1,192,746		1,591,862	(399,116)
k) Capital outlay	26,682		36,375	(9,693)
l) Payments to fiscal agent/member districts - shared service	151,450		149,735	1,715
m) Intergovernmental charges	261,071		259,395	1,676
Total Expenses	<u>\$ 21,672,188</u>	<u>\$</u>	<u>21,929,955</u>	<u>\$ (257,767)</u>

- * The general fund reported a fund balance for the year of \$10,031,846, an increase of \$2,010,321 from the prior year.
- * The debt service fund reported a fund balance for the year of \$695,831, an increase of \$279,296 from the prior year.

- * The District's combined net position was \$10,810,256 at August 31, as reflected below:

	Governmental Activities		
	Current Year	Prior Year	Change
Assets:			
Current and other assets	\$ 15,571,384	\$ 12,810,838	\$ 2,760,546
Capital and non-current assets	<u>51,866,646</u>	<u>53,799,776</u>	<u>(1,933,130)</u>
Total Assets	<u>\$ 67,438,030</u>	<u>\$ 66,610,614</u>	<u>\$ 827,416</u>
Deferred Outflows	<u>\$ 6,080,801</u>	<u>\$ 2,688,210</u>	<u>\$ 3,392,591</u>
Liabilities:			
Current liabilities	\$ 1,819,223	\$ 1,250,809	\$ 568,414
Long term liabilities	<u>56,508,731</u>	<u>55,952,045</u>	<u>556,686</u>
Total Liabilities	<u>\$ 58,327,954</u>	<u>\$ 57,202,854</u>	<u>\$ 1,125,100</u>
Deferred Inflows	<u>\$ 4,380,621</u>	<u>\$ 3,452,766</u>	<u>\$ 927,855</u>
Net position:			
Net investment in capital assets	\$ 5,641,855	\$ 9,587,832	\$ (3,945,977)
Restricted	894,733	521,241	373,492
Unrestricted	<u>4,273,668</u>	<u>(1,465,869)</u>	<u>5,739,537</u>
Total Net Position	<u>\$ 10,810,256</u>	<u>\$ 8,643,204</u>	<u>\$ 2,167,052</u>

- * Property tax rates increased 4.96/\$100 from the previous year. The taxable value decreased during the past year by \$202,304,348. The tax levy decreased by \$2,216,624 over the prior year.
- * State aid increased for the year by \$1,337,346.
- * Federal aid increased for the year by \$544,897.
- * The general fund transferred \$310,000 internally and \$77 to supplement the Child Nutrition Program.

Capital Assets and Debt Administration

Capital Assets

Capital assets for the District at the end of the fiscal year August 31, 2021 amounted to \$51,866,646. It is the District's policy to charge off as a current expenditure any purchases less than \$5,000. The total capital assets recorded were land and its improvements, buildings, equipment, and vehicles as reflected below:

District's Capital Assets			
Governmental Activities			
	Current	Prior	
	Year	Year	Change
Land	\$ 1,181,420	\$ 1,181,420	\$ -
Buildings and improvements	62,099,321	62,056,318	43,003
Equipment	2,948,045	2,948,045	-
Library books and media	120,525	120,525	-
Construction in progress	-	-	-
Totals at historical cost	66,349,311	66,306,308	43,003
Total accumulated depreciation	(14,482,665)	(12,506,552)	(1,976,113)
Net capital assets	<u>\$ 51,866,646</u>	<u>\$ 53,799,756</u>	<u>\$ (1,933,110)</u>

Long-term Liabilities

The District's long-term liabilities includes bonds payable, capital appreciation bonds, and maintenance tax notes in the amount of \$48,335,511.

District's Long-Term Liabilities			
Governmental Activities			
	Current	Prior	
	Year	Year	Change
Bonds payable	\$ 37,611,413	\$ 38,770,000	\$ (1,158,587)
Net issuance premiums/discounts	7,578,619	3,908,966	3,669,653
Total Bonds Payable	45,190,032	42,678,966	2,511,066
Maintenance tax notes	3,030,000	3,554,000	(524,000)
Total Debt	<u>\$ 48,220,032</u>	<u>\$ 46,232,966</u>	<u>\$ 1,987,066</u>

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. With these adjustments, actual expenditures were \$2,338,894 below final budget amounts. Additionally, resources available were \$50,011 above the final budgeted amount.

- * Local revenue sources were \$82,773 more than expected.
- * State funding was less than budgeted amounts by \$41,284.
- * Federal revenue was more than budgeted amounts by \$8,522.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 13,519,610
1220 Property Taxes - Delinquent	1,075,034
1230 Allowance for Uncollectible Taxes	(161,255)
1240 Due from Other Governments	938,139
1290 Other Receivables, Net	166,469
1300 Inventories	33,387
Capital Assets:	
1510 Land	1,181,420
1520 Buildings, Net	50,033,151
1530 Furniture and Equipment, Net	648,383
1560 Library Books and Media, Net	3,692
1000 Total Assets	67,438,030
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	3,964,202
1705 Deferred Outflow Related to TRS Pension	1,489,087
1706 Deferred Outflow Related to TRS OPEB	627,512
1700 Total Deferred Outflows of Resources	6,080,801
LIABILITIES	
2110 Accounts Payable	219,878
2140 Interest Payable	81,398
2150 Payroll Deductions and Withholdings	(8,097)
2160 Accrued Wages Payable	688,402
2180 Due to Other Governments	810,462
2200 Accrued Expenses	20,302
2300 Unearned Revenue	6,878
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	1,625,774
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	46,594,258
2540 Net Pension Liability (District's Share)	4,044,118
2545 Net OPEB Liability (District's Share)	4,244,581
2000 Total Liabilities	58,327,954
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	921,678
2606 Deferred Inflow Related to TRS OPEB	3,458,943
2600 Total Deferred Inflows of Resources	4,380,621
NET POSITION	
3200 Net Investment in Capital Assets	5,641,855
Restricted:	
3820 Restricted for Federal and State Programs	165,515
3850 Restricted for Debt Service	695,831
3890 Restricted for Other Purposes	33,387
3900 Unrestricted	4,273,668
3000 Total Net Position	\$ 10,810,256

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
		Charges for Services	Operating Grants and Contributions	6 Primary Gov. Governmental Activities
	Expenses			
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 11,385,508	\$ 167,962	\$ 587,471	\$ (10,630,075)
12 Instructional Resources and Media Services	118,519	1,671	-	(116,848)
13 Curriculum and Instructional Staff Development	73,879	-	53,373	(20,506)
21 Instructional Leadership	330,260	11,904	-	(318,356)
23 School Leadership	1,178,337	-	-	(1,178,337)
31 Guidance, Counseling, and Evaluation Services	471,319	-	-	(471,319)
33 Health Services	168,606	-	69,501	(99,105)
34 Student (Pupil) Transportation	668,774	992	3,242	(664,540)
35 Food Services	1,062,318	119,404	866,837	(76,077)
36 Extracurricular Activities	1,073,591	189,538	5,589	(878,464)
41 General Administration	826,316	-	3,603	(822,713)
51 Facilities Maintenance and Operations	2,115,528	73,679	17,379	(2,024,470)
52 Security and Monitoring Services	64,958	-	-	(64,958)
53 Data Processing Services	498,421	121,953	72,442	(304,026)
61 Community Services	3,905	-	-	(3,905)
72 Debt Service - Interest on Long-Term Debt	903,630	-	-	(903,630)
73 Debt Service - Bond Issuance Cost and Fees	289,116	-	-	(289,116)
81 Capital Outlay	26,682	-	-	(26,682)
93 Payments Related to Shared Services Arrangements	151,450	-	-	(151,450)
95 Payments to Juvenile Justice Alternative Ed. Prg.	4,972	-	-	(4,972)
99 Other Intergovernmental Charges	256,099	-	-	(256,099)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 21,672,188	\$ 687,103	\$ 1,679,437	(19,305,648)
Data				
Control				
Codes				
General Revenues:				
Taxes:				
MT	Property Taxes, Levied for General Purposes			9,554,844
DT	Property Taxes, Levied for Debt Service			2,879,630
SF	State Aid - Formula Grants			7,110,590
GC	Grants and Contributions not Restricted			1,537,038
IE	Investment Earnings			99,573
MI	Miscellaneous Local and Intermediate Revenue			290,271
TR	Total General Revenues			21,471,946
CN	Change in Net Position			2,166,298
NB	Net Position - Beginning			8,643,204
PA	Prior Period Adjustment			754
NE	Net Position - Ending			\$ 10,810,256

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 10,849,007	\$ 677,502	\$ 1,993,101	\$ 13,519,610
1220 Property Taxes - Delinquent	919,352	155,682	-	1,075,034
1230 Allowance for Uncollectible Taxes	(137,903)	(23,352)	-	(161,255)
1240 Due from Other Governments	501,306	-	436,833	938,139
1290 Other Receivables	145,904	-	20,565	166,469
1300 Inventories	20,120	-	13,267	33,387
1000 Total Assets	<u>\$ 12,297,786</u>	<u>\$ 809,832</u>	<u>\$ 2,463,766</u>	<u>\$ 15,571,384</u>
LIABILITIES				
2110 Accounts Payable	\$ 91,427	\$ -	\$ 128,451	\$ 219,878
2150 Payroll Deductions and Withholdings Payable	(8,097)	-	-	(8,097)
2160 Accrued Wages Payable	643,414	-	44,988	688,402
2180 Due to Other Governments	810,462	-	-	810,462
2200 Accrued Expenditures	16,111	-	4,191	20,302
2300 Unearned Revenue	-	-	6,878	6,878
2000 Total Liabilities	<u>1,553,317</u>	<u>-</u>	<u>184,508</u>	<u>1,737,825</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	<u>712,623</u>	<u>114,001</u>	<u>-</u>	<u>826,624</u>
2600 Total Deferred Inflows of Resources	<u>712,623</u>	<u>114,001</u>	<u>-</u>	<u>826,624</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	20,120	-	13,267	33,387
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	165,515	165,515
3470 Capital Acquisition and Contractual Obligation	-	-	1,995,241	1,995,241
3480 Retirement of Long-Term Debt	-	695,831	-	695,831
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	86,569	86,569
3600 Unassigned Fund Balance	<u>10,011,726</u>	<u>-</u>	<u>18,666</u>	<u>10,030,392</u>
3000 Total Fund Balances	<u>10,031,846</u>	<u>695,831</u>	<u>2,279,258</u>	<u>13,006,935</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 12,297,786</u>	<u>\$ 809,832</u>	<u>\$ 2,463,766</u>	<u>\$ 15,571,384</u>

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

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

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 13,006,935
1 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 \$66,306,308 and the accumulated depreciation was (\$12,506,532). In addition, long-term liabilities, including bonds payable of (\$38,770,000) and loans payable of (\$3,554,000), are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	11,475,776
2 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 of \$43,003 and debt principal payments of \$1,843,521 is to increase net position.	1,886,524
3 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(1,976,133)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of (\$4,044,118), a deferred resource inflow of (\$921,678), and a deferred resource outflow of \$1,489,087. The net effect is to decrease net position.	(3,476,709)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net other post employment benefit (OPEB) liability required by GASB 75 in the amount of (\$4,244,581), a deferred resource inflow of (\$3,458,943), and a deferred resource outflow of \$627,512. The net effect is to decrease net position.	(7,076,012)
6 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 of \$826,624 as revenue, recording the unamortized net premium/discount on bonds of (\$7,578,619), the accumulated accretion on capital appreciation bonds of (\$160,946), recognizing unamortized accounting loss on bond refundings of \$3,964,202, recognizing the difference in the par amount of bonds refunded and the amounts issued for the refunding of \$12 and recognizing the liabilities associated with maturing long-term debt and interest of (\$81,398). The net effect of these reclassifications and recognitions is to decrease net position.	(3,030,125)
19 Net Position of Governmental Activities	\$ 10,810,256

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT C-3

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 10,468,211	\$ 2,891,036	\$ 325,767	\$ 13,685,014
5800 State Program Revenues	7,944,154	-	124,116	8,068,270
5900 Federal Program Revenues	474,210	-	1,555,321	2,029,531
5020 Total Revenues	18,886,575	2,891,036	2,005,204	23,782,815
EXPENDITURES:				
Current:				
0011 Instruction	9,487,403	-	690,676	10,178,079
0012 Instructional Resources and Media Services	100,280	-	-	100,280
0013 Curriculum and Instructional Staff Development	20,438	-	53,373	73,811
0021 Instructional Leadership	323,428	-	-	323,428
0023 School Leadership	1,037,222	-	-	1,037,222
0031 Guidance, Counseling, and Evaluation Services	417,783	-	-	417,783
0033 Health Services	80,956	-	69,501	150,457
0034 Student (Pupil) Transportation	321,317	-	3,242	324,559
0035 Food Services	34,313	-	912,957	947,270
0036 Extracurricular Activities	952,675	-	91,888	1,044,563
0041 General Administration	727,240	-	3,603	730,843
0051 Facilities Maintenance and Operations	1,921,176	-	17,378	1,938,554
0052 Security and Monitoring Services	64,919	-	-	64,919
0053 Data Processing Services	401,046	-	72,442	473,488
0061 Community Services	3,503	-	-	3,503
Debt Service:				
0071 Principal on Long-Term Debt	524,000	1,319,521	-	1,843,521
0072 Interest on Long-Term Debt	45,957	1,295,512	-	1,341,469
0073 Bond Issuance Cost and Fees	-	289,116	-	289,116
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	26,682	26,682
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	151,450	-	-	151,450
0095 Payments to Juvenile Justice Alternative Ed. Prg.	4,972	-	-	4,972
0099 Other Intergovernmental Charges	256,099	-	-	256,099
6030 Total Expenditures	16,876,177	2,904,149	1,941,742	21,722,068
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	2,010,398	(13,113)	63,462	2,060,747
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	16,154,988	-	16,154,988
7915 Transfers In	310,000	-	77	310,077
7916 Premium or Discount on Issuance of Bonds	-	4,289,935	-	4,289,935
8911 Transfers Out (Use)	(310,077)	-	-	(310,077)
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(20,152,514)	-	(20,152,514)
7080 Total Other Financing Sources (Uses)	(77)	292,409	77	292,409
1200 Net Change in Fund Balances	2,010,321	279,296	63,539	2,353,156
0100 Fund Balance - September 1 (Beginning)	8,021,525	416,535	2,214,965	10,653,025
1300 Prior Period Adjustment	-	-	754	754
3000 Fund Balance - August 31 (Ending)	\$ 10,031,846	\$ 695,831	\$ 2,279,258	\$ 13,006,935

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
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

Total Net Change in Fund Balances - Governmental Funds	\$ 2,353,156
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 of \$43,003 and debt principal payments of \$1,843,521 is to increase net position.	1,886,524
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.	(1,976,133)
Current year changes due to GASB 68 increased revenues in the amount of \$366,425 but also increased expenditures in the amount of (\$628,051). The net position decreased as a result of the changes.	(261,626)
Current year changes due to GASB 75 decreased revenues in the amount of (\$137,161), but also decreased expenditures in the amount of \$329,701. The net position increased as a result of these changes.	192,540
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 of (\$173,593) to show the revenue earned from the current year's tax levy, recording amortization of bond premium of \$620,282, recording accretion on capital appreciation bonds of (\$276,425), accounting for the retirement of CAB of \$115,479 during the year, recording amortization of bond refunding accounting loss of (\$33,312), reclassing bond premium associated with refunding bonds of (\$4,289,935), recording accounting loss from bond refunding of \$3,997,514 and showing the difference of bonds issued on refunding and what was defeased of \$12 and recognizing the change in liabilities associated with maturing long-term debt and interest of \$11,815. The net effect of these reclassifications and recognitions is to decrease net position.	(28,163)
Change in Net Position of Governmental Activities	\$ 2,166,298

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

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

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 116,563
Total Assets	<u>116,563</u>
LIABILITIES	
Accounts Payable	<u>124</u>
Total Liabilities	<u>124</u>
NET POSITION	
Restricted for Campus Activities	95,247
Restricted for Scholarships	<u>21,192</u>
Total Net Position	<u><u>\$ 116,439</u></u>

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

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

	Total Custodial Funds
ADDITIONS:	
Contributions to Student Groups	\$ 500
Cocurricular Services or Activities	87,427
Contributions, Gifts and Donations	3,985
Miscellaneous Additions	31,339
Total Additions	<u>123,251</u>
DEDUCTIONS:	
Payroll Costs	35,834
Professional and Contracted Services	2,856
Supplies and Materials	62,115
Other Deductions	6,236
Total Deductions	<u>107,041</u>
Change in Fiduciary Net Position	16,210
 Total Net Position - September 1 (Beginning)	 22,694
Prior Period Adjustment	<u>77,535</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 116,439</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Jourdanton 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 (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in ***GASB Statement No. 76*** and it complies with the requirements of the appropriate version of Texas Education Agency’s ***Financial Accountability System Resource Guide*** (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

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

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

Fair Value. Jourdanton Independent School District applies Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

A. REPORTING ENTITY

The Board of Trustees (the “Board”) is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, “The Financial Reporting Entity.” There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and custodial funds remain as due to/due froms on the government-wide Statement of Net Position.

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

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

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the “susceptible to accrual concept”, that is, when they are both measurable and available. The District considers them “available” if they are collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

Custodial Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net assets, and unrestricted net assets.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

- * **The General Fund** - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- * **Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

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

Governmental Funds:

- * **Special Revenue Funds** - The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- * **Capital Projects Funds** - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Custodial Funds:

- * **Custodial Funds** - The District accounts for resources held for others in a custodial capacity in fiduciary funds. The District's Custodial Funds is the student activity fund and scholarships.

E. FUND BALANCE POLICY

Jourdanton Independent School District reports fund balance for governmental funds in classifications based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The **nonspendable** classification represents assets that will be consumed or "must be maintained intact" and therefore will never convert to cash, such as inventories of supplies and endowments. Provisions of laws, contracts, and grants specify how fund resources can be used in the **restricted** classification. The nature of these two classifications precludes a need for a policy from the Board of Trustees. However, the Board has adopted fund balance policies for the three unrestricted classifications – committed, assigned, and unassigned.

From time to time, the Board of Trustees may commit fund balances by a majority vote in a scheduled meeting. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the district does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions, and other purposes determined by the Board.

The Board of Trustees may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board by majority vote in a scheduled meeting.

When the District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures should be charged to restricted balances. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures should be charged to committed, assigned then unassigned.

By a majority vote in a scheduled meeting the Board of Trustees may commit fund balances and it may modify or rescind commitments. The Board may also delegate authority to persons or parties to assign fund balances in specific circumstances or funds.

Nonspendable	
Inventories in the general fund	\$ 20,120
Inventories in the food service fund	<u>13,267</u>
Total Nonspendable	<u>33,387</u>
Restricted	
Capital acquisition	1,995,241
Federal and State fund grant restrictions	165,515
Retirement of long-term debt	<u>695,831</u>
Total Restricted	<u>2,856,587</u>
Committed	
Construction	-
Campus activity funds	<u>86,569</u>
Total Committed	<u>86,569</u>
Unassigned	<u>10,030,392</u>
Total Fund Balances	<u><u>\$ 13,006,935</u></u>

F. OTHER ACCOUNTING POLICIES

1. Although food service commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include fuel inventories for the transportation department and are recorded at cost.
2. The District records purchases of supplies as expenditures.
3. The District records its investments in certificates of deposit and state sponsored money market accounts at fair value.
4. Unearned revenue accounted for on the balance sheet of the general fund and special revenue funds relates to excess funds received from the Texas Education Agency over earned amounts.
5. The District provides risk management obligations by carrying commercial insurance policies. Property and general liability insurance are obtained from a licensed insurer. Risk of loss is not retained by the District.
6. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of differences between expected and actual actuarial experience (pension & OPEB), changes in actuarial assumptions (pension & OPEB), differences between projected and actual investment earnings (pension & OPEB), change in proportion and differences between employer's contributions and the proportionate share of contributions (pension & OPEB), and contributions paid to TRS subsequent to the measurement date (pension & OPEB).
7. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows 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 (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government wide statement of net position. In the government wide financial statements, the District reports a deferred inflow of resources for differences between expected and actual actuarial experience (pension & OPEB), changes in actuarial assumptions (pension & OPEB), and changes in proportion and differences between employer's contributions and the proportionate share of contributions (pension & OPEB).
8. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
9. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a Statewide data base for policy development and funding plans.

10. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognized debt issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the government.
12. 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-30
Vehicles	5-10
Office equipment	3-10
Computer equipment	5
Library books and media	5

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an “appropriated budget” for the General Fund, Food Service Fund, and the Debt Service Fund, which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other reports is in Exhibit J-2 and J-3.

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must be given.

3. 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 the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

August 31, 2021	
<u>Fund Balance</u>	
Appropriated Budget Funds - Food Service Special Revenue Funds	\$ 178,782
Nonappropriated Budget Funds	<u>105,235</u>
All Special Revenue Funds	<u><u>\$ 284,017</u></u>

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As noted in Exhibit J-3, the Debt Service over-expended Function 71 by \$31,314.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

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

At fiscal year-end, the District had funds on deposit of \$9,992,667 in excess of FDIC coverage, secured by pledged securities of the depository bank. The District was adequately collateralized throughout the year.

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

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

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an “A”; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than “AA” or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Jourdanon Independent School District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2021, Jourdanon Independent School District had the following cash and cash equivalents.

Investment Type	Credit Rating	Amount	Maturity		
			Less than 1 Year	1-5 Years	10+ Years
Certificates of Deposit	N/A	\$ 128,112	\$ 128,112	\$ -	\$ -
Money Market Accounts	AAA	1,488,609	N/A	-	-
External Investment Pools	AAAm	1,535,400	N/A	-	-
Total		<u>\$ 3,152,121</u>	<u>\$ 128,112</u>	<u>\$ -</u>	<u>\$ -</u>

Additional policies and contractual provisions governing deposits and investments for Jourdanon Independent School District are specified below:

Credit Risk - In accordance with the District’s investment policy, investments in investment pools must rate at least AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service, and investments in obligations of the U.S. government or its agencies must be rated at least A or equivalent. As noted in the above table, the District’s investments met minimum rating requirements.

Custodial Credit Risk for Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. All of the securities are in the District’s name and held by the District or its agent.

Concentration of Credit Risk - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District investment is in secured bank certificates of deposit and State sponsored investment pools.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Fair Value Measurement

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments	Amount	Fair Value Measurement Using Input:		
		Level 1	Level 2	Level 3
Certificates of Deposit	\$ 128,112	\$ N/A	\$ -	\$ -
Money Market Accounts	1,488,609	1,488,609	-	-
External Investment Pools	1,535,400	-	1,535,400	-
Total	<u>\$ 3,152,121</u>	<u>\$ 1,488,609</u>	<u>\$ 1,535,400</u>	<u>\$ -</u>

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

The District's investment in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of stable net asset value of \$1. The book value of the position in the pools is the same as the number of the shares in each pool; the market value of a share should approximately equal the book value of a share.

Lone Star Investment Pool (the Pool): The Pool's liquidity fund operates in a manner consistent with the SEC Rule 2a7 of the Investment Company Act of 1940, which allows the fund to use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the District's position in the Pool is the same as the value of the Pool's shares and does not include any unrealized gains and losses.

The Pool 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 performance of the Pool. Financial information for the Pool can be obtained by writing to Post Office Box 400, Austin, Texas 78767-0400 or by calling 1-800-758-3927.

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 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 31 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 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are collected based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General Fund 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.

D. INTERFUND BALANCES AND TRANSFERS

There was no interfund balances at August 31, 2021.

Interfund transfers at August 31, 2021 consisted of the following amounts:

Transfers to General Fund From:

Intrafund	\$ 310,000
Total Transfers to General Fund from Other Funds	<u>\$ 310,000</u>

Transfers to Nonmajor Governmental Funds From:

General Fund	\$ 77
Total Transfers to Nonmajor Governmental Funds From Other Funds	<u>\$ 77</u>

Transfers were used to supplement the District's Child Nutrition Program.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2021, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
General Fund	\$ 919,352	\$ 501,306	\$ -	\$ 145,904	\$ 1,566,562
Debt Service Fund	155,682	-	-	-	155,682
Nonmajor Governmental Funds	-	436,833	-	20,565	457,398
Total Governmental Activities	<u>\$ 1,075,034</u>	<u>\$ 938,139</u>	<u>\$ -</u>	<u>\$ 166,469</u>	<u>\$ 2,179,642</u>
Amount not scheduled for collection during subsequent year	<u>\$ 161,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,255</u>

Payables at August 31, 2021, were as follows:

	Accounts Payables	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Total Payables
Governmental Activities:					
General Fund	\$ 91,427	\$ 651,428	\$ -	\$ 810,462	\$ 1,553,317
Debt Service Fund	-	-	-	-	-
Nonmajor Governmental Funds	128,451	49,179	-	-	177,630
Total Governmental Activities	<u>\$ 219,878</u>	<u>\$ 700,607</u>	<u>\$ -</u>	<u>\$ 810,462</u>	<u>\$ 1,730,947</u>
Amount not scheduled for payment during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

F. CAPITAL ASSET ACTIVITY

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

	Primary Government			
	Beginning Balance	Additions/ Reclassifications	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Land	\$ 1,181,420	\$ -	\$ -	\$ 1,181,420
Buildings and improvements	62,056,318	43,003	-	62,099,321
Equipment	2,948,045	-	-	2,948,045
Library books and media	120,525	-	-	120,525
Total at historical cost	66,306,308	43,003	-	66,349,311
Less accumulated depreciation				
Buildings and improvements	(10,240,594)	(1,825,576)	-	(12,066,170)
Equipment	(2,149,105)	(150,557)	-	(2,299,662)
Library books and media	(116,833)	-	-	(116,833)
Total accumulated depreciation	(12,506,532)	(1,976,133)	-	(14,482,665)
Governmental activities				
Capital assets, net	<u>\$ 53,799,776</u>	<u>\$ (1,933,130)</u>	<u>\$ -</u>	<u>\$ 51,866,646</u>

Depreciation expense was charged to governmental activity as follows:

Instruction	\$ 1,015,586
Instructional resources and media services	16,926
School leadership	119,873
Guidance, counseling and evaluation services	44,885
Health services	13,480
Student transportation	340,765
Food services	95,598
Extracurricular activities	17,913
General administration	84,093
Plant maintenance and operations	205,232
Data processing services	21,782
Total Depreciation Expense	<u>\$ 1,976,133</u>

G. BONDS PAYABLE

Bond indebtedness of the District is reflected in the Statement of Net Position, and current requirements for principles and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in bonds payable for the year ended August 31, 2021 is as follows:

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Amounts Outstanding 9/1/2020	Issued	Retired/ Refunded	Amounts Outstanding 8/31/2021	Amounts Due Within One Year
Series Bonds									
Unlimited Tax									
School Building		2.00% -							
Bonds, Series 2016	2041	5.00%	\$ 22,305,000	\$ 142,400	\$ 20,090,000	\$ -	\$ 16,755,000	\$ 3,335,000	\$ 615,000
Unlimited Tax									
School Building		1.66% -							
Bonds, Series 2017	2047	5.00%	19,490,000	746,845	18,680,000	-	385,000	18,295,000	395,000
Unlimited Tax									
School Refunding		1.73% -							
Bonds, Series 2020	2047	5.00%	16,154,988	406,267	-	16,154,988	334,521	15,820,467	85,774
Total Series Bonds				1,295,512	38,770,000	16,154,988	17,474,521	37,450,467	1,095,774
Capital Appreciation Bonds									
C.A.B Accreted Interest									
Series 2020				-	-	276,425	115,479	160,946	-
Total Capital Appreciation Bonds				-	-	276,425	115,479	160,946	-
Total All Bonds				\$ 1,295,512	\$ 38,770,000	\$ 16,431,413	\$ 17,590,000	\$ 37,611,413	\$ 1,095,774

Debt Service requirements for bonds payable are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2022	\$ 1,095,774	\$ 1,494,623	\$ 2,590,397
2023	1,083,908	1,508,114	2,592,022
2024	1,109,742	1,479,930	2,589,672
2025	1,158,284	1,436,814	2,595,098
2026	1,201,105	1,387,192	2,588,297
2021-2031	5,591,655	7,308,807	12,900,462
2032-2036	9,375,000	3,512,905	12,887,905
2037-2041	10,795,000	2,054,600	12,849,600
2042-2046	4,930,000	730,600	5,660,600
2047-2048	1,110,000	22,200	1,132,200
Total	\$ 37,450,468	\$ 20,935,785	\$ 58,386,253

On October 20, 2020, the District issued general obligation refunding bonds in the principal amount \$16,154,988, consisting of \$464,998 Capital Appreciation Bonds and \$15,690,000 Current Interest Bonds, to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$27,789,375 of general obligation bonds.

As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$3,997,514. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next fifteen years by \$1,768,810 and resulted in an economic gain of \$1,404,601.

H. LONG-TERM DEBT – NOTES PAYABLE

On February 24, 2011, the District issued Maintenance Tax Notes in the amount of \$4,926,000 for the purpose of providing funds to pay maintenance improvements as authorized by Texas Education Code, Section 45.108. The Board of Trustees elected to designate the Note as a “Qualified School Construction Bond” under sections 54A and 54F of the Internal Revenue Code of 1986. Under these sections the District is able to obtain a “Federal Subsidy” or cash subsidy for the amount of interest which would have been payable under such note if such interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Internal Revenue Code. Annual principal and interest payments are scheduled to begin on February 15, 2012 and end on February 15, 2026. The interest rate on the Note is 6.75% with a federally subsidized amount of 5.45% for a net interest cost of 1.30% to the District.

On April 8, 2014, the District issued Maintenance Tax Notes in the amount of \$2,300,000 for the purpose of providing funds to pay for repairs and renovations as authorized by Texas Education Code, Section 45.108. The Board of Trustees elected to designate the note as a “Qualified Zone Academy Bond” under section 54E of the Internal Revenue Code of 1986. Under these sections the District is able to obtain a “Federal Subsidy” or cash subsidy for the amount of interest which would have been payable under such note if such interest were determined at the applicable credit rate determined under Section 54A(d)(4)(c) of the Internal Revenue Code. Annual principal and interest payments are scheduled to begin on December 15, 2014 and end on December 15, 2027. The interest rate on the Note is 4.95% with a federally subsidized amount of 4.24% for a net interest cost of 0.71% to the District.

Notes payable of the District are reflected in the Statement of Net Position, and current requirements for principal and interest expenditures are accounted for in the General Fund.

A summary of changes in debt payable for the year ended August 31, 2021 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts Outstanding 9/1/2020	Issued	Retired/ Refunded	Amounts Outstanding 8/31/2021	Amounts Due Within One Year
Maintenance Tax Notes Series 2011	1.30%	\$ 4,926,000	\$ 37,061	\$ 2,301,000	\$ -	\$ 371,000	\$ 1,930,000	\$ 376,000
Maintenance Tax Notes Series 2013	0.710%	2,300,000	8,896	1,253,000	-	153,000	1,100,000	154,000
Totals		<u>\$ 4,926,000</u>	<u>\$ 37,061</u>	<u>\$ 2,301,000</u>	<u>\$ -</u>	<u>\$ 371,000</u>	<u>\$ 1,930,000</u>	<u>\$ 376,000</u>

Debt service requirements for notes payable are as follows:

Year Ended August 31,	Total Requirements		
	Principal	Interest	Total
2022	\$ 530,000	\$ 32,900	\$ 562,900
2023	536,000	26,919	562,919
2024	542,000	20,865	562,865
2025	548,000	14,739	562,739
2026	554,000	8,542	562,542
2027-2029	320,000	3,415	323,415
Total	<u>\$ 3,030,000</u>	<u>\$ 107,380</u>	<u>\$ 3,137,380</u>

I. CHANGES IN LONG-TERM LIABILITIES

Following is a summary of changes in long-term liabilities for the year ended August 31, 2021:

	Amounts Outstanding 9/1/2020	Additions	Deletions	Amounts Outstanding 8/31/2021	Due Within One Year
Bonds Payable	\$ 38,770,000	\$ 16,431,413	\$ 17,590,000	\$ 37,611,413	\$ 1,095,774
Net Issuance Premiums/Discounts	3,908,966	4,289,935	620,282	7,578,619	-
Total Bonds Payable	42,678,966	20,721,348	18,210,282	45,190,032	1,095,774
Notes Payable	3,554,000	-	524,000	3,030,000	530,000
	<u>\$ 42,678,966</u>	<u>\$ 20,721,348</u>	<u>\$ 18,210,282</u>	<u>\$ 45,190,032</u>	<u>\$ 1,095,774</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2021.

J. COMMITMENTS UNDER LEASES

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of August 31, 2021, as follows:

Commitments Under Leases		
Year Ended August 31,		
2022	\$	52,127
2023		52,127
2024		39,095
2025		-
2026		-
Thereafter		-
Total Minimum Rentals	\$	<u>143,349</u>
Rental Expenditures for Fiscal Year 2021	\$	<u>94,879</u>

K. COMPENSATED ABSENCES

The State of Texas has created a minimum personal leave program consisting of five days per year leave with no limit on accumulation and transferability among districts for every teacher regularly employed in Texas public schools.

Each district's local Board of Education is required to establish a leave plan. Local school districts may provide additional leave beyond the state minimum. Jourdan Independent School District provides an additional five days per year leave above the state granted five days per year. Personal leave is not vested, therefore, upon resignation, termination or nonrenewal of contract, accumulated personal leave is not paid.

L. HEALTH CARE COVERAGE

During the period ended August 31, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$322 per pay period per employee and dependents based on employee coverage selection to the plan. All premiums were paid to a self-funded pool. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable annually and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Blue Cross/Blue Shield TRS ActiveCare are available and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

M. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://trs.texas.gov/TRSDocuments/cafr_2020.pdf, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698 or by calling (512) 542-6592.

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

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

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

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

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

Contributions Rates		
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.7%	7.5%
District's 2021 FY Employer Contributions	\$	329,656
District's 2021 FY Member Contributions	\$	833,861
Measurement Year NECE On-Behalf Contributions	\$	597,874

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

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

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

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

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

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
	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."
Municipal Bond Rate as of August 2020	
Last year ending August 31 in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

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

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

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

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

Asset Class	Target Allocation* %	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.02%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
Total	100%		7.33%

* Target allocations are based on the FY2020 policy model.

** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

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

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$6,235,958	\$4,044,118	\$2,263,297

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 \$4,044,118 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 the District were as follows:

District's proportionate share of the collective net pension liability	\$ 4,044,118
State's proportionate share that is associated with the District	<u>7,760,726</u>
Total	<u><u>\$ 11,804,844</u></u>

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

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0075509195% which was a decrease of 0.0007549373% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2021, the District recognized pension expense of \$933,443 and revenue of \$933,443 for support provided by the State in the Government Wide Statement of Activities.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 7,384	\$ 112,861
Changes in actuarial assumptions	938,379	398,992
Net difference between projected and actual investment earnings	81,870	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	131,798	409,825
Contributions paid to TRS subsequent to the measurement date	329,656	-
Total	\$ 1,489,087	\$ 921,678

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

Measurement year ended August 31:	Pension Expense Amount
2021	\$ 111,007
2022	121,404
2023	120,755
2024	(7,299)
2025	(91,649)
Thereafter	(16,465)

N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

OPEB Plan Fiduciary Net Position. Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS Documents/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2020 are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 40,010,833,815
Less: Plan fiduciary net position	(1,996,317,932)
Net OPEB liability	<u>\$ 38,014,515,883</u>
Net position as a percentage of total OPEB liability	4.99%

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

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

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

TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

*or surviving spouse

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

<u>Contributions Rates</u>		
	<u>2020</u>	<u>2021</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding Remitted by Employers	1.25%	1.25%
District's 2021 FY Employer Contributions	\$	93,327
District's 2021 FY Member Contributions	\$	70,428
Measurement Year NECE On-Behalf Contributions	\$	114,039

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

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

Actuarial Assumptions.

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

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

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

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

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

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

Sensitivity of the Net OPEB Liability:

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

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the Net OPEB Liability:	\$5,093,487	\$4,244,581	\$3,574,066

Healthcare Cost Trend Rates Sensitivity Analysis. The following schedule shows the impact of the OPEB liability if healthcare trend rate that 1 percentage point less than and 1 percentage point greater than the health trend rates assumed.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability:	\$3,467,279	\$4,244,581	\$5,279,837

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2021, the District reported a liability of \$4,244,581 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 4,244,581
State's proportionate share that is associated with the District	<u>5,703,699</u>
Total	<u><u>\$ 9,948,280</u></u>

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

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.0111656840% compared to 0.0114216361% as of August 31, 2019.

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 rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

For the year ended August 31, 2021, the District recognized OPEB expense of \$39,604 and revenue of \$39,604 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 222,245	\$ 1,942,537
Changes in actuarial assumptions	261,802	1,165,584
Net difference between projected and actual investment earnings	1,379	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	48,759	350,822
Contributions paid to TRS subsequent to the measurement date	93,327	-
Total	\$ 627,512	\$ 3,458,943

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

Year ended August 31:	OPEB Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2022	\$ (476,182)	\$ (2,448,576)
2023	(476,366)	(1,972,210)
2024	(476,473)	(1,495,737)
2025	(476,447)	(1,019,290)
2026	(363,071)	(656,219)
Thereafter	(656,219)	-

O. MEDICARE PART D - ON BEHALF PAYMENTS

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf of Jourdanton Independent School District for fiscal years 2019, 2020, and 2021 were \$37,375, \$49,098 and \$47,622.

P. LITIGATION

The District is occasionally involved in litigation in the general course of business. Attorneys for the District indicate there is no pending litigation at August 31, 2021.

Q. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

R. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides alternative campuses to member districts. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided by TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in its Special Revenue Fund and Fund 459 “Special Education Unit” and will be accounted for using Model 3 in the SSA section of the Resource Guide. Contributions to the SSA are summarized below:

Member Districts	Special Education Unit
Charlotte Independent School District	\$ 4,972
Devine Independent School District	4,972
Dilley Independent School District	4,972
George West Independent School District	4,972
Jourdanton Independent School District	4,972
Lytle Independent School District	4,972
McMullen County Independent School District	4,972
Natalia Independent School District	4,972
Pearsall Independent School District	4,972
Pleasanton Independent School District	4,972
Poteet Independent School District	4,972
Somerset Independent School District	4,972
Portions Relieved from /(added to) Deferred Revenue	614
Total	<u>\$ 60,278</u>

S. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Debt Service Fund	Other Fund	Total
State Revenue	\$ -	\$ -	\$ 289	\$ 289
Federal Revenue	-	-	3,188	3,188
Local Revenue	-	-	3,401	3,401
Total Unearned Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,878</u>	<u>\$ 6,878</u>

T. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2021, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements.

Fund	State Entitlements	Federal Grants	Other	Total
General Fund	\$ 501,021	\$ -	\$ 285	\$ 501,306
Other Funds	<u>22,228</u>	<u>414,605</u>	<u>-</u>	<u>436,833</u>
Total	<u>\$ 523,249</u>	<u>\$ 414,605</u>	<u>\$ 285</u>	<u>\$ 938,139</u>

U. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
Property Taxes	\$ 9,715,419	\$ 2,862,993	\$ -	\$ -	\$ 12,578,412
Penalties, Interest and Other					
Tax-related Income	230,674	17,657	-	-	248,331
Investment Income	86,054	10,386	362	2,232	99,034
Rent	71,695	-	-	-	71,695
Foundation, Gifts and Bequests	-	-	-	40,759	40,759
Insurance Recovery	30,839	-	-	-	30,839
Food Sales	-	-	-	119,404	119,404
Extracurricular Student Activities	82,125	-	-	-	82,125
Enterprising Revenue	-	-	-	87,366	87,366
Shared Service	-	-	-	60,254	60,254
Other	251,405	-	-	15,390	266,795
Total	<u>\$ 10,468,211</u>	<u>\$ 2,891,036</u>	<u>\$ 362</u>	<u>\$ 325,405</u>	<u>\$ 13,685,014</u>

V. GENERAL FUND FEDERAL SOURCES REVENUE

Program or Source	CFDA Number	Amount
School Health and Related Services (SHARS) Program	N/A	\$ 329,251
Coronavirus Relief Fund (CRF)	21.019	32,127
CARES ACT from TDEM	N/A	14,608
Medicaid Administrative Claiming Program (MAC)	N/A	98,224
Total:		<u>\$ 474,210</u>

W. WORKERS' COMPENSATION POOL

During the year ended August 31, 2021, Jourdanton ISD met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

Jourdanton ISD participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher-than-expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2020, the Fund carries a discounted reserve of \$44,135,645 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2021, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles. The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

X. AUTO, LIABILITY, AND PROPERTY PROGRAMS

During the year ended August 31, 2021, Jourdanton ISD participated in the following TASB Risk Management Fund (the Fund) programs:

Auto Liability

Auto Physical Damage

Privacy & Information Security

Property

School Liability

The Fund was created and is operating under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger-than-anticipated claims for its Auto, Liability, and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2021, the Fund anticipates that Jourdanton ISD has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Y. UNEMPLOYMENT COMPENSATION POOL

During the year ended August 31, 2021, Jourdanton ISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for a specific or aggregate stop-loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2020, the Fund anticipates that Jourdanton ISD has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Z. RELATED-PARTY TRANSACTIONS

During the year the District did business with two of the District's Board Members. The District received printing services and office supplies from R B Printing in the amount of \$2,231. The District also uses a HVAC repair and replacement service from Arrow Air & Refrigeration, LLC in the amount of \$112,666.

AA. PRIOR PERIOD ADJUSTMENT

During fiscal year 2021, the District adopted GASB Statement No. 84 for Accounting and Reporting for Fiduciary Activities. With GASB 84, the District was required to reclassify some of the funds that were being treated as a fiduciary fund into a special revenue fund type. All funds were evaluated to determine if the District had administrative control. The funds where the District didn't have administrative control continue to be reported as a fiduciary "custodial" fund. Adoption of GASB 84 required a prior period adjustment to report the effect of GASB 84 retroactively. The amount of the prior adjustment in the special revenue funds is \$754 and the restated beginning fund balance is \$80,321. The amount of the prior period adjustment in the custodial funds is \$77,535 with a restated beginning net position of \$77,535.

REQUIRED SUPPLEMENTARY INFORMATION

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 10,320,736	\$ 10,385,438	\$ 10,468,211	\$ 82,773
5800 State Program Revenues	8,037,181	7,985,438	7,944,154	(41,284)
5900 Federal Program Revenues	240,000	465,688	474,210	8,522
5020 Total Revenues	18,597,917	18,836,564	18,886,575	50,011
EXPENDITURES:				
Current:				
0011 Instruction	9,753,688	10,018,644	9,487,403	531,241
0012 Instructional Resources and Media Services	110,195	114,295	100,280	14,015
0013 Curriculum and Instructional Staff Development	122,255	122,255	20,438	101,817
0021 Instructional Leadership	394,379	401,999	323,428	78,571
0023 School Leadership	1,053,011	1,081,511	1,037,222	44,289
0031 Guidance, Counseling, and Evaluation Services	433,626	441,776	417,783	23,993
0033 Health Services	124,301	101,351	80,956	20,395
0034 Student (Pupil) Transportation	857,775	794,830	321,317	473,513
0035 Food Services	24,529	51,529	34,313	17,216
0036 Extracurricular Activities	1,033,650	1,022,730	952,675	70,055
0041 General Administration	824,222	839,947	727,240	112,707
0051 Facilities Maintenance and Operations	2,142,101	2,220,101	1,921,176	298,925
0052 Security and Monitoring Services	171,511	125,986	64,919	61,067
0053 Data Processing Services	365,181	737,624	401,046	336,578
0061 Community Services	1,731	54,731	3,503	51,228
Debt Service:				
0071 Principal on Long-Term Debt	524,000	524,000	524,000	-
0072 Interest on Long-Term Debt	45,959	45,959	45,957	2
Capital Outlay:				
0081 Facilities Acquisition and Construction	75,000	75,000	-	75,000
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	151,700	151,700	151,450	250
0095 Payments to Juvenile Justice Alternative Ed. Prg.	6,000	6,000	4,972	1,028
0099 Other Intergovernmental Charges	283,103	283,103	256,099	27,004
6030 Total Expenditures	18,497,917	19,215,071	16,876,177	2,338,894
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	100,000	(378,507)	2,010,398	2,388,905
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	310,000	310,000	-
8911 Transfers Out (Use)	(100,000)	(310,078)	(310,077)	1
7080 Total Other Financing Sources (Uses)	(100,000)	(78)	(77)	1
1200 Net Change in Fund Balances	-	(378,585)	2,010,321	2,388,906
0100 Fund Balance - September 1 (Beginning)	8,021,525	8,021,525	8,021,525	-
3000 Fund Balance - August 31 (Ending)	\$ 8,021,525	\$ 7,642,940	\$ 10,031,846	\$ 2,388,906

JOURDANTON INDEPENDENT SCHOOL DISTRICT
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 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.00755092%	0.008305857%	0.008313358%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 4,044,118	\$ 4,317,644	\$ 4,575,874
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	7,760,726	7,160,830	8,024,455
Total	<u>\$ 11,804,844</u>	<u>\$ 11,478,474</u>	<u>\$ 12,600,329</u>
District's Covered Payroll	\$ 10,426,090	\$ 10,138,340	\$ 9,727,368
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	38.79%	42.59%	47.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 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 Plan Year		FY 2017 Plan Year		FY 2016 Plan Year		FY 2015 Plan Year 2014	
0.008888465%		0.0088003%		0.0094827%		0.0060084%	
\$	2,842,052	\$	3,325,493	\$	3,352,008	\$	1,604,926
5,002,291		6,176,031		5,928,650		5,233,836	
\$	7,844,343	\$	9,501,524	\$	9,280,658	\$	6,838,762
\$	9,994,924	\$	9,829,458	\$	9,651,681	\$	9,632,422
28.43%		33.83%		34.73%		16.67%	
82.17%		78.00%		78.43%		83.25%	

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

	2021	2020	2019
Contractually Required Contribution	\$ 329,656	\$ 311,534	\$ 284,897
Contribution in Relation to the Contractually Required Contribution	329,656	311,534	284,897
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 10,829,778	\$ 10,426,090	\$ 10,138,340
Contributions as a Percentage of Covered Payroll	3.04%	2.99%	2.81%

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	
\$ 285,286	\$ 291,312	\$ 279,607	\$ 268,708	
285,286	291,312	279,607	268,708	
\$ -	\$ -	\$ -	\$ -	
\$ 9,727,368	\$ 9,994,924	\$ 9,829,458	\$ 9,651,681	
2.93%	2.91%	2.84%	2.78%	

JOURDANTON INDEPENDENT SCHOOL DISTRICT
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 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.011165684%	0.011421636%	0.011850136%	\$ 0.011731462%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 4,244,581	\$ 5,401,435	\$ 5,916,881	\$ 5,101,573
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	5,703,699	7,177,294	8,268,069	\$ 7,813,831
Total	<u>\$ 9,948,280</u>	<u>\$ 12,578,729</u>	<u>\$ 14,184,950</u>	<u>\$ 12,915,404</u>
District's Covered Payroll	\$ 10,426,090	\$ 10,138,340	\$ 9,727,368	\$ 9,994,924
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	40.71%	53.28%	60.83%	\$ 51.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	\$ 0.91%

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

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

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

	2021	2020	2019	2018
Contractually Required Contribution	\$ 93,327	\$ 84,401	\$ 72,804	\$ 81,260
Contribution in Relation to the Contractually Required Contribution	93,327	84,401	72,804	81,260
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 10,829,778	\$ 10,426,090	\$ 10,138,340	\$ 9,727,368
Contributions as a Percentage of Covered Payroll	0.86%	0.81%	0.72%	0.84%

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.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2021

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. The increases immediately made the pension fund actuarially sound, and the legislature approved funding for a 13th check.

All eligible members retired as of December 31, 2018, received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

Changes of Assumptions.

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

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefit.

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

Changes in Assumptions.

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The discount rate changed from 2.64 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.

COMBINING AND OTHER STATEMENTS

JOURDANTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes		211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting	266 ESSER -School Emergency Relief
ASSETS					
1110	Cash and Cash Equivalents	\$ (45,718)	\$ 164,532	\$ (1,164)	\$ (43,856)
1240	Due from Other Governments	61,539	84,017	1,164	45,214
1290	Other Receivables	-	2,551	-	-
1300	Inventories	-	13,267	-	-
1000	Total Assets	<u>\$ 15,821</u>	<u>\$ 264,367</u>	<u>\$ -</u>	<u>\$ 1,358</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 55,022	\$ -	\$ 1,358
2160	Accrued Wages Payable	14,450	24,684	-	-
2200	Accrued Expenditures	1,371	2,691	-	-
2300	Unearned Revenue	-	3,188	-	-
2000	Total Liabilities	<u>15,821</u>	<u>85,585</u>	<u>-</u>	<u>1,358</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	13,267	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	165,515	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>178,782</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 15,821</u>	<u>\$ 264,367</u>	<u>\$ -</u>	<u>\$ 1,358</u>

276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	282 CARES ESSER III	289 Title IV Part A Subpart 1	331 SSA - Career & Technical - Basic Grant	350 SSA - III, A English Lang. Acquisition	410 State Instructional Materials	458 Bigfoot Alternative
\$ -	\$ -	\$ (179,189)	\$ (4,482)	\$ -	\$ -	\$ 289	\$ -
-	-	218,189	4,482	-	-	22,228	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,517</u>	<u>\$ -</u>
\$ -	\$ -	\$ 39,000	\$ -	\$ -	\$ -	\$ 22,228	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	289	-
<u>-</u>	<u>-</u>	<u>39,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,517</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,517</u>	<u>\$ -</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes		459	461	483	484
		Alternative Campus	Campus Activity Funds	Virginia Steinle Fund	Billy & Alberta Mueller Fund
ASSETS					
1110	Cash and Cash Equivalents	\$ (5,532)	\$ 90,584	\$ 16,472	\$ 1,155
1240	Due from Other Governments	-	-	-	-
1290	Other Receivables	14,916	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 9,384</u>	<u>\$ 90,584</u>	<u>\$ 16,472</u>	<u>\$ 1,155</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 4,015	\$ -	\$ -
2160	Accrued Wages Payable	5,854	-	-	-
2200	Accrued Expenditures	129	-	-	-
2300	Unearned Revenue	3,401	-	-	-
2000	Total Liabilities	<u>9,384</u>	<u>4,015</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	86,569	-	-
3600	Unassigned Fund Balance	-	-	16,472	1,155
3000	Total Fund Balances	<u>-</u>	<u>86,569</u>	<u>16,472</u>	<u>1,155</u>
4000	Total Liabilities and Fund Balances	<u>\$ 9,384</u>	<u>\$ 90,584</u>	<u>\$ 16,472</u>	<u>\$ 1,155</u>

485 Paul Gansky Fund	486 JEF Fund	Total Nonmajor Special Revenue Funds	699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 770	\$ 1,178	\$ (4,961)	\$ 1,998,062	\$ 1,993,101
-	-	436,833	-	436,833
-	3,098	20,565	-	20,565
-	-	13,267	-	13,267
<u>\$ 770</u>	<u>\$ 4,276</u>	<u>\$ 465,704</u>	<u>\$ 1,998,062</u>	<u>\$ 2,463,766</u>
\$ -	\$ 4,007	\$ 125,630	\$ 2,821	\$ 128,451
-	-	44,988	-	44,988
-	-	4,191	-	4,191
-	-	6,878	-	6,878
<u>-</u>	<u>4,007</u>	<u>181,687</u>	<u>2,821</u>	<u>184,508</u>
-	-	13,267	-	13,267
-	-	165,515	-	165,515
-	-	-	1,995,241	1,995,241
-	-	86,569	-	86,569
770	269	18,666	-	18,666
<u>770</u>	<u>269</u>	<u>284,017</u>	<u>1,995,241</u>	<u>2,279,258</u>
<u>\$ 770</u>	<u>\$ 4,276</u>	<u>\$ 465,704</u>	<u>\$ 1,998,062</u>	<u>\$ 2,463,766</u>

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

Data Control Codes		211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting	266 ESSER -School Emergency Relief
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ 134,840	\$ -	\$ -
5800	State Program Revenues	-	3,827	-	-
5900	Federal Program Revenues	328,761	863,055	45,510	59,361
5020	Total Revenues	328,761	1,001,722	45,510	59,361
EXPENDITURES:					
Current:					
0011	Instruction	259,560	-	45,510	8,300
0013	Curriculum and Instructional Staff Development	300	-	-	-
0033	Health Services	68,901	-	-	600
0034	Student (Pupil) Transportation	-	-	-	682
0035	Food Services	-	912,957	-	-
0036	Extracurricular Activities	-	-	-	5,589
0041	General Administration	-	-	-	3,603
0051	Facilities Maintenance and Operations	-	45	-	15,714
0053	Data Processing Services	-	-	-	24,873
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	328,761	913,002	45,510	59,361
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	88,720	-	-
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	77	-	-
1200	Net Change in Fund Balance	-	88,797	-	-
0100	Fund Balance - September 1 (Beginning)	-	89,985	-	-
1300	Prior Period Adjustment	-	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 178,782	\$ -	\$ -

276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	282 CARES ESSER III	289 Title IV Part A Subpart 1	331 SSA - Career & Technical - Basic Grant	350 SSA - III, A English Lang. Acquisition	410 State Instructional Materials	458 Bigfoot Alternative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	120,289	-
8,800	-	218,189	17,607	11,038	3,000	-	-
8,800	-	218,189	17,607	11,038	3,000	120,289	-
-	-	125,349	17,607	7,857	3,000	120,289	-
-	-	49,942	-	3,131	-	-	-
-	-	-	-	-	-	-	-
-	-	2,560	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,569	-	50	-	-	-
8,800	-	38,769	-	-	-	-	-
-	-	-	-	-	-	-	-
8,800	-	218,189	17,607	11,038	3,000	120,289	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Data Control Codes	459 Alternative Campus	461 Campus Activity Funds	483 Virginia Steinle Fund	484 Billy & Alberta Mueller Fund
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 60,278	\$ 92,547	\$ 192	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	60,278	92,547	192	-
EXPENDITURES:				
Current:				
0011 Instruction	60,278	-	2,000	300
0013 Curriculum and Instructional Staff Development	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	86,299	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	60,278	86,299	2,000	300
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	6,248	(1,808)	(300)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	6,248	(1,808)	(300)
0100 Fund Balance - September 1 (Beginning)	-	79,567	18,280	1,455
1300 Prior Period Adjustment	-	754	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 86,569	\$ 16,472	\$ 1,155

485	486	Total	699	Total
Paul	JEF	Nonmajor	Capital	Nonmajor
Gansky	Fund	Special	Projects	Governmental
Fund		Revenue Funds	Fund	Funds
\$ -	\$ 37,009	\$ 324,866	\$ 901	\$ 325,767
-	-	124,116	-	124,116
-	-	1,555,321	-	1,555,321
-	37,009	2,004,303	901	2,005,204
-	40,626	690,676	-	690,676
-	-	53,373	-	53,373
-	-	69,501	-	69,501
-	-	3,242	-	3,242
-	-	912,957	-	912,957
-	-	91,888	-	91,888
-	-	3,603	-	3,603
-	-	17,378	-	17,378
-	-	72,442	-	72,442
-	-	-	26,682	26,682
-	40,626	1,915,060	26,682	1,941,742
-	(3,617)	89,243	(25,781)	63,462
-	-	77	-	77
-	(3,617)	89,320	(25,781)	63,539
770	3,886	193,943	2,021,022	2,214,965
-	-	754	-	754
\$ 770	\$ 269	\$ 284,017	\$ 1,995,241	\$ 2,279,258

T.E.A. REQUIRED SCHEDULES

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ Various
2013	1.221000	0.000000	529,953,569
2014	1.046000	0.000000	748,026,482
2015	1.170000	0.000000	804,674,701
2016	1.170000	0.000000	864,535,812
2017	1.170000	0.206200	748,548,612
2018	1.170000	0.360300	807,924,721
2019	1.170000	0.330800	868,223,798
2020	1.068400	0.254300	1,128,223,060
2021 (School year under audit)	1.054700	0.317600	925,918,712
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 309,023	\$ -	\$ 12,908	\$ -	\$ (138,600)	\$ 157,515
36,267	-	1,003	-	(4,802)	30,462
56,465	-	1,244	-	(3,992)	51,229
44,947	-	1,574	-	(4,466)	38,907
66,366	-	3,435	-	(6,948)	55,983
133,163	-	15,700	2,767	(8,614)	106,082
132,426	-	23,765	7,318	(10,035)	91,308
184,599	-	47,259	13,362	(9,380)	114,598
297,631	-	100,012	23,805	(14,418)	159,396
-	12,706,382	9,494,771	2,859,144	(82,913)	269,554
<u>\$ 1,260,887</u>	<u>\$ 12,706,382</u>	<u>\$ 9,701,671</u>	<u>\$ 2,906,396</u>	<u>\$ (284,168)</u>	<u>\$ 1,075,034</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 237,898	\$ 153,466	\$ 134,840	\$ (18,626)
5800	State Program Revenues	3,500	3,827	3,827	-
5900	Federal Program Revenues	685,820	831,166	863,055	31,889
5020	Total Revenues	927,218	988,459	1,001,722	13,263
EXPENDITURES:					
Current:					
0035	Food Services	1,027,018	988,337	912,957	75,380
0051	Facilities Maintenance and Operations	200	200	45	155
6030	Total Expenditures	1,027,218	988,537	913,002	75,535
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(78)	88,720	88,798
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	100,000	78	77	(1)
1200	Net Change in Fund Balances	-	-	88,797	88,797
0100	Fund Balance - September 1 (Beginning)	89,985	89,985	89,985	-
3000	Fund Balance - August 31 (Ending)	\$ 89,985	\$ 89,985	\$ 178,782	\$ 88,797

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 2,682,996	\$ 2,883,882	\$ 2,891,036	\$ 7,154
5020	Total Revenues	2,682,996	2,883,882	2,891,036	7,154
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	985,000	1,435,000	1,319,521	115,479
0072	Interest on Long-Term Debt	1,696,996	1,317,540	1,295,512	22,028
0073	Bond Issuance Cost and Fees	1,000	120,295	289,116	(168,821)
6030	Total Expenditures	2,682,996	2,872,835	2,904,149	(31,314)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	11,047	(13,113)	(24,160)
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	9,335,000	16,154,988	6,819,988
7916	Premium or Discount on Issuance of Bonds	-	915,153	4,289,935	3,374,782
8940	Payment to Bond Refunding Escrow Agent (Use)	-	(10,261,200)	(20,152,514)	(9,891,314)
7080	Total Other Financing Sources (Uses)	-	(11,047)	292,409	303,456
1200	Net Change in Fund Balances	-	-	279,296	279,296
0100	Fund Balance - September 1 (Beginning)	416,535	416,535	416,535	-
3000	Fund Balance - August 31 (Ending)	\$ 416,535	\$ 416,535	\$ 695,831	\$ 279,296

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

JOURDANTON INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2021

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$1,307,346
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$566,886

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$21,275
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$49,987

**REPORTS ON
INTERNAL CONTROLS, COMPLIANCE
AND
FEDERAL AWARDS**

COLEMAN, HORTON & COMPANY, LLP

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

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

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 Jourdanton Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Jourdanton Independent School District's basic financial statements and have issued our report thereon dated November 19, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Coleman, Horton and Company, LLP

Uvalde, Texas

November 19, 2021

COLEMAN, HORTON & COMPANY, LLP

Certified Public Accountants

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

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

Report on Compliance for Each Major Federal Program

We have audited the Jourdanton Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Jourdanton Independent School District's major federal programs for the year ended August 31, 2021. Jourdanton Independent School 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 Jourdanton Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jourdanton Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Coleman, Horton and Company, LLP

Uvalde, Texas
November 19, 2021

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

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Control deficiency(ies) identified? Yes X No

Control deficiency(ies) identified that are not considered to be material weakness? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Control deficiency(ies) identified? Yes X No

Control deficiency(ies) identified that are not considered to be material weakness? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.56 of the Uniform Guidance? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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CFDA #10.553	School Breakfast Program
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CFDA #10.555	National School Lunch Program
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

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

B. Financial Statement Findings

-----None noted-----

C. Federal Award Findings and Questioned Costs

-----None noted-----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2021

-----Not Applicable-----

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

-----None Noted-----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20-610101007902	\$ 22,758
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21-610101007902	254,458
ESEA, Title I, Part D - Subpart 2	84.010A	20-610103007902	13
ESEA, Title I, Part D - Subpart 2	84.010A	21-610103007902	51,532
Total Assistance Listing Number 84.010A			328,761
SSA - Career and Technical - Basic Grant	84.048A	21-420006015950	11,038
SSA - Title III, A - English Lang. Acquisition	84.365A	20-671001015950	3,000
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20-694501007902	866
ESEA, Title II, Part A, Teacher Principal Training	84.37A	21-694501007902	44,644
Title I SIP Academy Grant	84.377A	17-610740007902	8,800
COVID-19 ESSER I	84.425D	20-521001007902	59,361
COVID-19 ESSER III	84.425U	21-528001007902	218,189
Total Assistance Listing Number 84.425			277,550
ESEA. Title IV, Part A, Subpart 1	84.424A	20-680101007902	670
ESEA. Title IV, Part A, Subpart 1	84.424A	21-680101007905	16,937
Total Assistance Listing Number 84.424A			17,607
Total Passed Through State Department of Education			692,266
TOTAL U.S. DEPARTMENT OF EDUCATION			692,266
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	N/A	98,224
Total Passed Through Texas Dept of Human Services			98,224
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			98,224
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71402101	233,658
*National School Lunch Program - Cash Assistance	10.555	71302101	571,492
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	57,905
Total Assistance Listing Number 10.555			629,397
Total Child Nutrition Cluster			863,055
Total Passed Through the State Department of Agriculture			863,055
TOTAL U.S. DEPARTMENT OF AGRICULTURE			863,055
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,653,545

*Clustered Programs

**Schedule doesn't include federal funds reported in the General Fund consisting of CRF for prior year expenses of \$32,127, CRF funds passed through the Texas Department of Emergency Management of \$14,608 and SHARS of \$329,251 for a total of \$375,986.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

JOURDANTON INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

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

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used 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 unearned revenues until earned.

- The period performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, Uniform Guidance Compliance Supplement.
- CFDA numbers for commodity assistance are the CFDA numbers of the programs under which USDA donated the commodities.

SCHOOLS FIRST QUESTIONNAIRE

JOURDANTON INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2021

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$160,946