

**LA VILLA INDEPENDENT  
SCHOOL DISTRICT**



**Annual Financial Report  
For the year ended  
June 30, 2021**

**Raul Hernandez & Company, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

5402 Holly Rd. Suite 102 Corpus Christi, TX 78411 Office: (361) 980-0428 Fax: (361) 980-1002

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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CERTIFICATE OF BOARD

La Villa Independent School District  
Name of School District

Hidalgo  
County

108914  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the year ended June 30, 2021 at a meeting of the Board of Trustees of such school district on the 17<sup>th</sup> 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)

**Raul Hernández & Company, P.C.**  
Certified Public Accountants  
5402 Holly Rd, Suite 102  
Corpus Christi, Texas 78411  
Office (361)980-0482 Fax (361)980-1002

## **INDEPENDENT AUDITORS' REPORT**

La Villa Independent School District  
500 East 9<sup>th</sup> Street  
La Villa, Texas 78562

### **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 La Villa Independent School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the La Villa 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.

#### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual - General Fund, the Schedule of District's Proportionate Share of the Net Pension Liability and the Schedule of the District Contributions - Teacher Retirement System of Texas, the Schedule of the District Proportionate Share of the Net OPEB Liability - Teacher Retirement System of Texas, the Schedule of District Contributions to the Teacher Retirement System of Texas OPEB Plan, and the related Notes to Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

The combining and individual nonmajor fund financial statements, the TEA required schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the TEA required schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The combining and individual nonmajor fund financial statements, the TEA required schedules, and schedule of expenditures of federal awards have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, on our consideration of the La Villa 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La villa Independent School District's internal control over financial reporting and compliance.

*Raul Hernandez & Company, P.C.*

Corpus Christi, Texas

December 17, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS



## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of La Villa Independent School District, discuss and analyze the District's financial performance during the year ended June 30, 2021. Please read it in conjunction with the independent auditors' report on page 1, and the District's Basic Financial Statements, which begin on page 13.

### FINANCIAL HIGHLIGHTS

- The District's net position was \$2,297,587, which is a \$724,026 increase compared to last year's balance of \$1,573,561. The increase is due, in part, to the effect of an increase in revenues and assets.
- During the year, the District had tax revenues of \$1,933,908 which included \$1,451,664 and \$482,244 for property taxes, levied for general purposes and debt service, respectively.
- The General Fund ended the year with a fund balance of \$2,460,031 which is an increase of \$820,762 from the prior year. The Debt Service Fund ended the year with a fund balance of \$615,042, which represents an increase from the prior year of \$36,513. Capital Projects funds had a total fund balance of (\$17,886), which was unchanged from the prior year.
- Revenues from governmental activities were \$10,777,214, which represents a \$1,081,776 increase from the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), *the basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*. The District maintains one type of proprietary fund, an internal service fund. The Internal service fund is used to report activities of the District's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements.

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.
- *Notes to the financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.
- *Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the district's progress in funding its obligation to provide pension benefits to its employees. Immediately following the required supplementary information on pensions are the two budgetary schedules on the general fund and major special revenue fund. The combining statements in connection to nonmajor governmental funds and fiduciary funds are then presented.

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

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1 Major Features of the District's Government-wide and Fund Financial Statements**

Type of Statements	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<u>Scope</u>	Entire district Government (except Fiduciary funds) and the district's component units	The activities of the district that are not proprietary or fiduciary	Activities of District similar to private business; self insurance	Instances in which the district is the trustee or agent for someone else's resources
<u>Required Financial Statements</u>	Statement of Net position Statement of Activities	Balance Sheet Statement of revenues, expenditures & changes in fund balances Statement of cash flows	Statement of net position Statement of rev, exp, & changes in net position Statement of flows	Statement of fiduciary net position Statement of in fiduciary net position
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net position and the Statement of Activities (on pages 13 and 14). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 15) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 20) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The section labeled Other Schedules contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

### Reporting the District as a Whole

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

The analysis of the District's overall financial condition and operations begins on page 13. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

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

In the Statement of Net position and the Statement of Activities, we present the District's one kind of activity:

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

## Reporting the District's Most Significant Funds

### *Fund Financial Statements*

The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Every Student Succeeds Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's governmental funds use the following accounting approach:

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

### **The District as Trustee**

#### *Reporting the District's Fiduciary Responsibilities*

- The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net position on page 18. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District implemented GASB Statement #34 in 2001. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental-type activities between current and prior year.

Net position of the District's governmental activities increased from \$1,573,561 to \$2,297,587. The increase is partly due to an increase in revenues. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—was (\$3,227,880) at June 30, 2021 which represents a \$624,182 increase from prior year. The District's revenues exceeded expenditures by \$724,026. The District paid bonds and other long-term debt in the amount of \$549,541. Furthermore, acquired capital assets, including completed capital projects, amounted to a net after disposals, before depreciation, of \$45,837. The District recorded depreciation in the amount of \$635,365. In addition, accumulated depreciation was \$8,197,654 as of June 30, 2021. (See note D on page 30)

Total Revenue increased by \$1,081,776 during the year ended June 30, 2021. Grants and Contributions, accounted for a majority of the increase. Total Expenditures increased by \$1,073,620 during the year. Significant increases included Instruction and Facilities Maintenance and Operation.

The District has no business-type activities.

**Table 1**  
**LÀ VILLA INDEPENDENT**  
**SCHOOL DISTRICT**

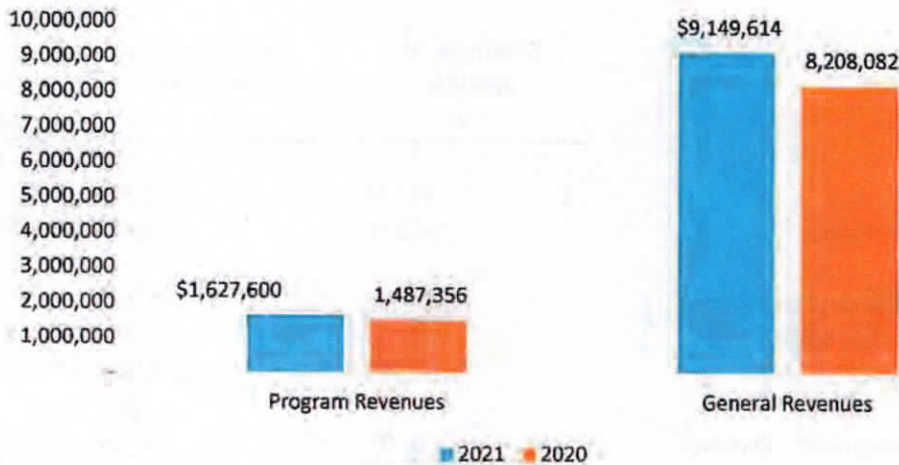
<b>ASSETS</b>	<b>Governmental Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>Change</b>
Cash and Cash Equivalents	\$ 1,831,319	\$ 1,609,692	\$ 221,627
Property Taxes Receivable (Delinquent)	236,198	258,849	(22,651)
Allowance for Uncollectible Taxes	(23,620)	(29,457)	5,837
Due from Other Governments	1,754,881	1,325,007	429,874
Due from Fiduciary Funds	775,957	140,277	635,680
Prepayments	26,426	140,277	(113,851)
<b>Total Current Assets:</b>	<b>4,601,161</b>	<b>3,444,645</b>	<b>1,156,516</b>
<b>Capital Assets:</b>			
Land	147,793	147,793	-
Buildings, Net	16,326,824	16,633,634	(306,810)
Furniture and Equipment, Net	290,706	573,423	(282,717)
<b>Total Noncurrent Assets</b>	<b>16,765,323</b>	<b>17,354,850</b>	<b>(589,527)</b>
<b>Total Assets</b>	<b>\$ 21,366,484</b>	<b>\$ 20,799,495</b>	<b>\$ 566,989</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge for Refunding	70,882	79,848	(8,966)
Deferred Outflow Related to TRS Pension	1,154,083	1,250,143	(96,060)
Deferred Outflow Related to TRS OPEB	824,502	898,422	(73,920)
<b>Total Deferred Outflows of Resources</b>	<b>2,049,467</b>	<b>2,228,413</b>	<b>(178,946)</b>
<b>LIABILITIES</b>			
Accounts Payable	223,516	398,441	(174,925)
Interest Payable	145,014	153,532	(8,518)
Accrued Wages Payable	268,249	251,859	16,390
Due to Fiduciary Funds	773,517	194,362	579,155
Due to Other Governments	76,814	41,173	35,641
Due to Student Groups	1,877	2,122	(245)
Accrued Expenses	7,100	6,783	317
<b>Noncurrent Liabilities</b>			
Due Within One Year	657,825	610,330	47,495
Due in More Than One Year	11,283,375	11,912,847	(629,472)
Net Pension Liability (District's Share)	2,507,615	2,276,575	231,040
Net OPEB Liability (District's Share)	2,446,509	3,049,473	(602,964)
<b>Total Liabilities</b>	<b>18,391,411</b>	<b>18,897,497</b>	<b>(506,086)</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow Related to TRS Pension	546,025	660,569	(114,544)
Deferred Inflow Related to TRS OPEB	2,180,927	1,756,004	424,923
<b>Total Deferred Inflows of Resources</b>	<b>2,726,952</b>	<b>2,416,573</b>	<b>310,379</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,895,004	4,831,673	63,331
Restricted for Federal and State Programs	15,421	15,421	-
Restricted for Debt Service	615,042	578,529	36,513
Unrestricted	(3,227,880)	(3,852,062)	624,182
<b>Total Net Position</b>	<b>\$ 2,297,587</b>	<b>\$ 1,573,561</b>	<b>\$ 724,026</b>

**Table II**  
**LA VILLA INDEPENDENT**  
**SCHOOL DISTRICT**

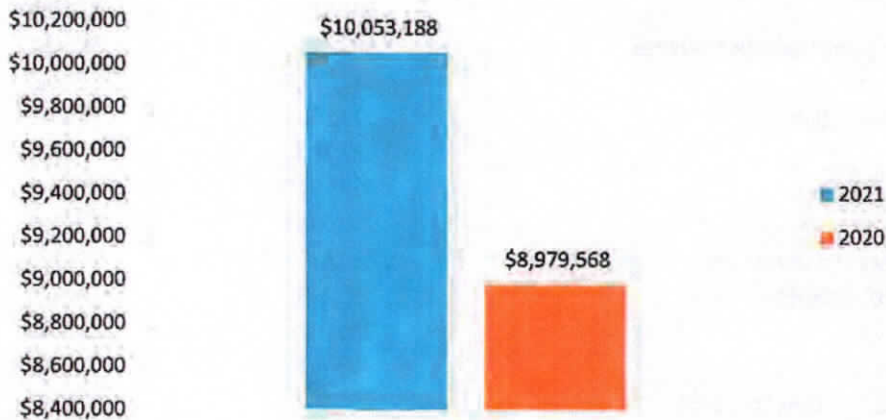
<b>REVENUES</b>	<b>Governmental Activities 2021</b>	<b>Governmental Activities 2020</b>	<b>Change</b>
<b>Program Revenues:</b>			
Charges for Services	\$ 82,419	\$ 203,876	\$ (121,457)
Operating Grants and Contributions	1,545,181	1,283,480	261,701
<b>General Revenues:</b>			
Property Taxes, Levied for General Purposes	1,451,664	1,234,554	217,110
Property Taxes, Levied for Debt Service	482,244	437,914	44,330
Grants and Contributions not Restricted	7,183,755	6,367,633	816,122
Investment Earnings	472	5,074	(4,602)
Miscellaneous Local and Intermediate Revenues	31,479	162,907	(131,428)
<b>Total Revenue</b>	<b>10,777,214</b>	<b>9,695,438</b>	<b>1,081,776</b>
<b>Expenses:</b>			
Instruction	4,534,219	3,885,928	648,291
Instructional Resources and Media Services	148,525	127,172	21,353
Curriculum and Instructional Staff Development	457,863	391,909	65,954
School Leadership	554,029	507,137	46,892
Guidance, Counseling, and Evaluation Services	303,763	292,561	11,202
Health Services	142,531	135,241	7,290
Student (Pupil) Transportation	73,360	120,348	(46,988)
Food Services	582,780	502,670	80,110
Extracurricular Activities	429,594	455,211	(25,617)
General Administration	797,044	786,569	10,475
Facilities Maintenance and Operations	1,139,435	989,175	150,260
Security and Monitoring Services	135,229	101,820	33,409
Data Processing Services	286,902	234,624	52,278
Community Services	60,793	55,442	5,351
Debt Service - Interest on Long Term Debt	391,509	308,135	83,374
Debt Service - Bond Issuance Cost and Fees	2,000	76,575	(74,575)
Other Intergovernmental Charges	13,612	9,051	4,561
<b>Total Expenses</b>	<b>10,053,188</b>	<b>8,979,568</b>	<b>1,073,620</b>
<b>Change in Net Position</b>	<b>724,026</b>	<b>715,870</b>	<b>8,156</b>
<b>Net Position - Beginning of Year</b>	<b>1,573,561</b>	<b>857,691</b>	<b>715,870</b>
<b>Net Position - End of Year</b>	<b>\$ 2,297,587</b>	<b>\$ 1,573,561</b>	<b>\$ 724,026</b>



**Figure 1**  
**Governmental Activities - Revenues by Source**  
 (in dollars)



**Figure 2**  
**Governmental Activities - Expenses by Source**  
 (in dollars)



**THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$3,037,510, which represents an increase of \$857,275 over last year's total of \$2,180,235.

The District's General Fund balance of \$2,460,031 reported on page 50, differs from the General Fund's budgetary fund balance of \$2,103,553 reported in the budgetary comparison schedule, which is a difference of \$356,478.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

At year end June 30, 2021, the District had about \$20 million invested in a broad range of capital assets, including land, construction in progress, buildings, and furniture & equipment.

This year's major additions included:

	<u>2021</u>	<u>2020</u>
Land	\$ 147,793	\$ 147,793
Buildings and Improvements	22,795,318	22,782,314
Furniture and Equipment	<u>2,019,865</u>	<u>1,987,033</u>
Totals at Historical Costs	24,962,976	24,917,140
Accumulated Depreciation	<u>(8,197,653)</u>	<u>(7,562,288)</u>
Total Capital Assets (Net)	<u>\$ 16,765,323</u>	<u>\$ 17,354,852</u>

More detailed information about the District's capital assets is presented in Note D (page 30) to the financial statements.

*Debt*

At year end June 30, 2021, the District had \$11,941,199 in bonds and other long-term debt outstanding, which had a net decrease from the prior year balance of \$12,523,175.

More detailed information about the District's long-term liabilities is presented in Note G (page 31) to the financial statements.

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

Budget

Property Values were estimated as HB3 86<sup>th</sup> legislature amended Section 48.256, Education Code, for using the current, rather than preceding taxable value of property in calculating a district's local share of the FSP. This change applies to all FSP local share calculations including those for the Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) under Chapter 46, Education Code. Plans were made to adjust the property value based on TEAs interpretation of HB3 and County Certified Tax Appraisal values. The preliminary adjusted freeze taxable value used for the 2021-2022 budget increased 9% to \$121,697,032 from \$110,353,969 in the previous year.

Student enrollment and ADA were budgeted to remain flat at 600 and 553, respectively, due to COVID19 unpredictability.



The following indicators were taken into consideration in developing the general operating fund budget for FY 2021-2022:

- District staff totaled 116 employees in 2021-2022, of which 50 are teachers and 39 are teacher aides, secretaries and clerks;
- For 2021-2022 the Board of Trustees approved a \$1,000 end of year stipend; and, a \$1,000 end of year stipend for all paraprofessionals, auxiliary and administrative staff;
- For 2021-2022 the Board of Trustees approved an increase in the employer health contribution rate of \$32 increasing the annual rate per employee to \$5,148 from \$4,764;
- The District maintains three (3) campuses for student instruction;
- State Aide will remain as approved by HB3;
- Chapter 313 Agreement with Tera-Gen, LLC is ongoing: a line-item was added to reflect revenue of \$57K for FY 2021-2022.

#### Standard & Poors Rating

The District's 2020 rating with Standard and Poors remains "A-".

#### Taxes

- The tax rate for Maintenance and Operations (M&O) for FY 2021-2022 is \$1.0187 and \$.4290 for Interest and Sinking for a total tax rate of \$1.4477.
- The preliminary adjusted freeze taxable value used for the 2021-2022 budget increased 9% to \$121,697,032 from \$110,353,969 in the previous year. The Hidalgo County Appraisal District reviews and assesses property values based on the local real estate market within the District's geographical taxing jurisdiction.

#### Facilities

The District completed the Energy Conservation project in FY 2020-2021, the FY 2021-2022 budget includes a line item for payment to SECO in the amount of \$13,559.

#### COVID-19

The full extent of the operational and financial impact the COVID-19 pandemic may have on the District is dependent on its duration and spread as well as any related operational restrictions and the overall economy. Other than adjusting for enrollment and taxable value growth, there were no attempts made to estimate financial impacts or assumptions of legislative funding cuts.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at La Villa Independent School District, P O Box 10, La Villa, Texas, 78588.

# **BASIC FINANCIAL STATEMENTS**

LA VILLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 1,831,319
1220 Property Taxes - Delinquent	236,198
1230 Allowance for Uncollectible Taxes	(23,620)
1240 Due from Other Governments	1,754,881
1267 Due from Fiduciary Funds	775,957
1410 Prepayments	26,426
Capital Assets:	
1510 Land	147,793
1520 Buildings, Net	16,326,824
1530 Furniture and Equipment, Net	290,706
1000 Total Assets	<u>21,366,484</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	70,882
1705 Deferred Outflow Related to TRS Pension	1,154,083
1706 Deferred Outflow Related to TRS OPEB	824,502
1700 Total Deferred Outflows of Resources	<u>2,049,467</u>
<b>LIABILITIES</b>	
2110 Accounts Payable	223,516
2140 Interest Payable	145,014
2160 Accrued Wages Payable	268,249
2177 Due to Fiduciary Funds	773,517
2180 Due to Other Governments	76,814
2190 Due to Student Groups	1,877
2200 Accrued Expenses	7,100
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	657,825
2502 Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	11,283,375
2540 Net Pension Liability (District's Share)	2,507,615
2545 Net OPEB Liability (District's Share)	2,446,509
2000 Total Liabilities	<u>18,391,411</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	546,025
2606 Deferred Inflow Related to TRS OPEB	2,180,927
2600 Total Deferred Inflows of Resources	<u>2,726,952</u>
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	4,895,004
Restricted:	
3820 Restricted for Federal and State Programs	15,421
3850 Restricted for Debt Service	615,042
3900 Unrestricted	(3,227,880)
3000 Total Net Position	<u>\$ 2,297,587</u>

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

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

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
		Expenses	3 Charges for Services	
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
11	\$ 4,534,219	\$ 3,376	\$ 639,305	\$ (3,891,538)
12	148,525	-	-	(148,525)
13	457,863	-	298,223	(159,640)
23	554,029	-	435	(553,594)
31	303,763	-	185	(303,578)
33	142,531	-	11,443	(131,088)
34	73,360	-	-	(73,360)
35	582,780	70,161	509,689	(2,930)
36	429,594	8,882	-	(420,712)
41	797,044	-	14,866	(782,178)
51	1,139,435	-	-	(1,139,435)
52	135,229	-	24,395	(110,834)
53	286,902	-	-	(286,902)
61	60,793	-	46,640	(14,153)
72	391,509	-	-	(391,509)
73	2,000	-	-	(2,000)
99	13,612	-	-	(13,612)
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 10,053,188</b>	<b>\$ 82,419</b>	<b>\$ 1,545,181</b>	<b>(8,425,588)</b>
Data Control Codes	<b>General Revenues:</b>			
	<b>Taxes:</b>			
MT	Property Taxes, Levied for General Purposes			1,451,664
DT	Property Taxes, Levied for Debt Service			482,243
GC	Grants and Contributions not Restricted			7,183,755
IE	Investment Earnings			472
MI	Miscellaneous Local and Intermediate Revenue			31,479
TR	<b>Total General Revenues</b>			<b>9,149,614</b>
ON	Change in Net Position			724,026
NB	Net Position - Beginning			1,573,561
NE	Net Position - Ending			<b>\$ 2,297,587</b>

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

LA VILLA INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

Data Control Codes	10 General Fund	211 ESEAL, A, Improv Basic	266 ESSER- School Emerg Relief
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 607,689	\$ 67,086	\$ 262,259
1220 Property Taxes - Delinquent	190,057	-	-
1230 Allowance for Uncollectible Taxes	(19,006)	-	-
1240 Due from Other Governments	960,569	362,807	77,494
1260 Due from Other Funds	1,977,947	86,099	-
1410 Prepayments	26,426	-	-
1000 Total Assets	<u>\$ 3,743,682</u>	<u>\$ 515,992</u>	<u>\$ 339,753</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 85,882	\$ -	\$ -
2160 Accrued Wages Payable	253,852	4,951	-
2170 Due to Other Funds	760,177	510,047	339,753
2180 Due to Other Governments	7,443	443	-
2190 Due to Student Groups	-	-	-
2200 Accrued Expenditures	5,246	551	-
2000 Total Liabilities	<u>1,112,600</u>	<u>515,992</u>	<u>339,753</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	171,051	-	-
2600 Total Deferred Inflows of Resources	<u>171,051</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3480 Retirement of Long-Term Debt	-	-	-
3600 Unassigned Fund Balance	2,460,031	-	-
3000 Total Fund Balances	<u>2,460,031</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,743,682</u>	<u>\$ 515,992</u>	<u>\$ 339,753</u>

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

50 Debt Service Fund	Other Funds	Total Governmental Funds
\$ 590,721	\$ 303,564	\$ 1,831,319
46,141	=	236,198
(4,614)	=	(23,620)
24,321	354,011	1,754,881
=	270,815	2,359,182
=	=	26,426
<u>\$ 656,569</u>	<u>\$ 928,390</u>	<u>\$ 6,184,386</u>
\$ -	\$ 137,634	\$ 223,516
-	9,446	268,249
-	746,765	2,356,742
-	68,928	76,814
-	1,877	1,877
-	1,303	7,100
-	965,953	2,934,298
41,527	-	212,578
41,527	-	212,578
-	15,421	15,421
615,042	=	615,042
-	(52,984)	2,407,047
615,042	(37,563)	3,037,510
<u>\$ 656,569</u>	<u>\$ 928,390</u>	<u>\$ 6,184,386</u>

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

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>3,037,510</b>
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		-
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$24,769,347 and the accumulated depreciation was (\$7,562,289). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. Note: Beginning Balances related to TRS are NOT included in this amount.		4,757,989
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to decrease net position.		8,518
4 Included in the items related to debt is the recognition of the District's proportionate share of the net position liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$1,154,083, a deferred resource inflow in the amount of \$546,025, and a net pension liability in the amount of \$2,507,615. This resulted in an increase (decrease) in net position.		(1,899,557)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$824,502, a deferred resource inflow in the amount of \$2,180,927, and a net OPEB liability in the amount of \$2,446,509. This resulted in an increase (decrease) in net position.		(3,802,934)
6 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(635,365)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		831,426
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,297,587</u></b>

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

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

Data Control Codes	10 General Fund	211 ESEAL, A Improv Basic	266 ESSER-School Emerg Relief
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 1,907,008	\$ -	\$ -
5800 State Program Revenues	6,776,378	-	-
5900 Federal Program Revenues	523,489	375,630	98,453
5020 Total Revenues	<u>8,606,875</u>	<u>375,630</u>	<u>98,453</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
0011 Instruction	3,262,733	150,643	98,453
0012 Instructional Resources and Media Services	129,833	-	-
0013 Curriculum and Instructional Staff Development	116,977	185,751	-
0023 School Leadership	496,102	435	-
0031 Guidance, Counseling, and Evaluation Services	274,051	60	-
0033 Health Services	117,029	11,443	-
0034 Student (Pupil) Transportation	49,521	-	-
0035 Food Services	510,743	-	-
0036 Extracurricular Activities	379,106	-	-
0041 General Administration	698,913	-	-
0051 Facilities Maintenance and Operations	1,086,309	-	-
0052 Security and Monitoring Services	105,546	-	-
0053 Data Processing Services	280,965	-	-
0061 Community Services	5,271	27,298	-
<b>Debt Service:</b>			
0071 Principal on Long-Term Debt	134,541	-	-
0072 Interest on Long-Term Debt	94,321	-	-
0073 Bond Issuance Cost and Fees	2,000	-	-
<b>Intergovernmental:</b>			
0099 Other Intergovernmental Charges	13,612	-	-
6030 Total Expenditures	<u>7,757,573</u>	<u>375,630</u>	<u>98,453</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>849,302</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	(28,540)	-	-
7080 Total Other Financing Sources (Uses)	<u>(28,540)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	820,762	-	-
0100 Fund Balance - July 1 (Beginning)	1,639,269	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 2,460,031</u>	<u>\$ -</u>	<u>\$ -</u>

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



	50 Debt Service Fund	Other Funds	Total Governmental Funds
\$	490,078	\$ 2,553	\$ 1,799,639
	262,070	94,518	7,132,966
	-	464,338	1,461,910
	<u>752,148</u>	<u>561,409</u>	<u>10,394,515</u>
	-	390,209	3,902,038
	-	-	129,833
	-	112,472	415,200
	-	-	496,537
	-	125	274,236
	-	-	128,472
	-	-	49,521
	-	-	510,743
	-	-	379,106
	-	14,866	713,779
	-	-	1,086,309
	-	24,395	129,941
	-	-	280,965
	-	19,342	51,911
	415,000	-	549,541
	329,175	-	423,496
	-	-	2,000
	-	-	13,612
	<u>744,175</u>	<u>561,409</u>	<u>9,537,240</u>
	<u>7,973</u>	<u>-</u>	<u>857,275</u>
	28,540	-	28,540
	-	-	(28,540)
	<u>28,540</u>	<u>-</u>	<u>-</u>
	36,513	-	857,275
	578,529	(37,563)	2,180,235
\$	<u>615,042</u>	<u>(37,563)</u>	<u>3,037,510</u>

LA VILLA 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 JUNE 30, 2021

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>857,275</b>
<p>The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.</p>		
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 and debt principal payments is to decrease net position.		8,518
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.		(635,365)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		870,042
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$166,007. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$147,251. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by (\$358,262). The net result is an increase (decrease) in the change in net position.		377,018
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$81,623. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$80,493. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net OPEB expense (increased) decreased the change in net position by \$754,591. The net result is an increase (decrease) in the change in net position.		(753,462)
<b>Change in Net Position of Governmental Activities.</b>	<b>\$</b>	<b>724,026</b>

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

LA VILLA INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2021

EXHIBIT E-1

	Total Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 55,296
Due from Other Funds	5,610
Other Receivables	2,617
<b>Total Assets</b>	<b>63,523</b>
<b>LIABILITIES</b>	
Due to Other Funds	8,050
Due to Student Groups	55,473
<b>Total Liabilities</b>	<b>63,523</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended June 30, 2021

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of La Villa Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles:

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

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

The District applied 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.

**1. REPORTING ENTITY**

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity" and there are no component units included within the reporting entity.

## LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2021

### 2. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

#### a. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

**Special Revenue Funds: ESEA Title I, Part A – Improving Basic Programs and Elementary and Secondary School Emergency Relief:** The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund.

**Debt Service Funds:** 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.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year-Ended June 30, 2021**

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

**Capital Projects Fund:** 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.

**Other 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.

**Internal Service Funds:** These are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

**Fiduciary Funds:**

**Private-Purpose Trust Funds:** These funds are used to report trust arrangements under which principal income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

**Custodial Funds:** The District accounts for resources held for others in a custodial capacity in custodial funds. These funds are used to account for assets held by the District as an agent for student and other organizations. These funds were previously reported in an agency fund.

This change resulted in reporting the detail of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84. The District's Custodial Funds are the Tax Office Fund, Payroll Clearing Fund, and the Student Activity Funds. These funds did not require an Statement of Changes Fiduciary Fund-Net Position (Exhibit E-2).

**b. Measurement Focus, Basis of Accounting**

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements:** These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements

For the Year Ended June 30, 2021

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continue to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen to apply future FASB standards.

**3. FINANCIAL STATEMENT AMOUNTS**

**a. Cash and Cash Equivalents**

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Delinquent Taxes	\$ 190,057	\$ 46,141	\$ 236,198
Allowance for Uncollectible Taxes	(19,006)	(4,614)	(23,620)
Net Taxes	<u>\$ 171,051</u>	<u>\$ 41,527</u>	<u>\$ 212,578</u>

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon 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.

**c. Inventories and Prepaid Items**

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide. Certain Payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.



**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**d. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20-40
Building Improvements	20-40
Vehicles	8-10
Office Equipment	5-15
Computer Equipment	5-10

**e. Receivable and Payable Balances**

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

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

**f. Interfund Activity**

Interfund activity results from loans, service provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" Line of the government-wide statement of net assets.

**g. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

**h. Data Control Codes**

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

## LA VILLA INDEPENDENT SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2021

#### i. Fund Balances

Fund balances of the governmental funds are classified as follows:

**Nonspendable Fund Balance** – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget.

Committed fund balance amounts differ from restricted balances in that the constraints of their use do not come from outside parties, constitutional provisions, or enabling legislation.

**Assigned Fund Balance** – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

**Unassigned Fund Balance** – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

#### j. 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.

# LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

## B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### 1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violation of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

### 2. Deficit Fund Balance or Fund net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Special Revenue Fund	(\$35,098)	State Instructional Materials
Capital Projects Fund	(\$17,886)	Capital Projects Fund

### 3. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, and the Food 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 two reports are in Exhibit J2 and J3.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 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.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements

For the Year Ended June 30, 2021

**B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

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:

	<u>June 30, 2021</u> <u>Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 534,458
Nonappropriated Budget Funds	<u>1,718,107</u>
<b>All Special Revenue Funds</b>	<b>\$ <u>2,252,565</u></b>

5. Excess of expenditure over appropriations

The following is a list of the excess of expenditures over appropriations, at the legal control by an individual fund.

<u>Fund</u>	<u>Function</u>	<u>Amount of Excess</u>
General Fund	11 - Instruction	(59,711)
General Fund	33 - Health Services	(6,682)
General Fund	72 - Interest on Long Term Debt	(13,502)
General Fund	73 - Bond Issuance Cost and Fees	(2,000)

**C. DEPOSITS AND INVESTMENTS**

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

**1. Cash Deposits:**

At June 30, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,886,615 and the bank balance was \$1,944,958. The District's cash deposits for the year ended June 30, 2021 and during the year ended June 30, 2021, were entirely covered by the FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**C. DEPOSITS AND INVESTMENTS (continued)**

**2. Investments:**

The District is required by Government Code Chapter 2256; The Public Funds Investment Act; 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, and (9) bid solicitation preferences for certificates of deposit.

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

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District had no investments as of ended June 30, 2021.

**3. Analysis of Specific Deposit and Investment Risks**

GASB Statement no. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

**a. Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end the District was not significantly exposed to credit risk.

**b. Custodial Credit Risk**

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institutions, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. As of June 30, 2021 the District was not exposed to custodial credit risk.

## LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2021

### C. DEPOSITS AND INVESTMENTS (continued)

#### c. Concentration of Credit Risk

This is the risk that in interest rates will adversely affect the fair value of an investment. As of June 30, 2021 the District was not exposed to concentration of credit risk.

#### d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2021 the District was not exposed to interest rate risk.

#### e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. As of June 30, 2021, the District was not exposed to foreign currency risk.

### Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

### Public Funds Investment Pools

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

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

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements

For the Year Ended June 30, 2021

**D. CAPITAL ASSETS**

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

Capital assets not being depreciated				
Land	\$ 147,793	\$ -	\$ -	\$ 147,793
Construction In Progress	-	-	-	-
Total capital assets not being depreciated	<u>147,793</u>	<u>-</u>	<u>-</u>	<u>147,793</u>
Capital assets being depreciated:				
Buildings and Improvements	23,182,336	13,005	-	23,195,341
Furniture and Equipment	1,587,011	32,832	-	1,619,843
Totals capital assets being depreciated	<u>24,769,347</u>	<u>45,837</u>	<u>-</u>	<u>24,815,184</u>
Less Accumulated Depreciated for:				
Buildings and Improvements	(6,348,386)	(520,131)	-	(6,868,517)
Furniture & Equipment	(1,213,903)	(115,234)	-	(1,329,137)
Total Accumulated Depreciation	<u>(7,562,289)</u>	<u>(635,365)</u>	<u>-</u>	<u>(8,197,654)</u>
Total capital assets being depreciated, net	<u>17,207,058</u>	<u>(589,528)</u>	<u>-</u>	<u>16,617,530</u>
Governmental Activities capital assets, net	<u>\$ 17,354,851</u>	<u>\$ (589,528)</u>	<u>\$ -</u>	<u>\$ 16,765,323</u>

Depreciation was charged to functions as follows:

Instruction	\$ 382,749
Instructional Resources and Media Services	10,483
School Leadership	20,967
Guidance, Counseling, & Evaluating Services	10,483
Health Services	5,210
Student (Pupil) Transportation	22,936
Food Services	36,722
Cocurricular/Extracurricular Activities	26,240
General Administration	46,064
Plant Maintenance and Operation	73,511
Total Depreciation Expense	<u>\$ 635,365</u>

**E. INTERFUND BALANCES AND ACTIVITIES**

**I. Transfers To and From Other Funds/Due to and From Other Funds**

Transfers to and from other funds and due to and from other funds for the year ended June 30, 2021, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 28,540
	Total	<u>\$ 28,540</u>
<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 28,540
	Total	<u>\$ 28,540</u>

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**F. FUND BALANCES**

The District has nonspendable, restricted, committed, and unassigned fund balance as follows.

<b>Restricted Fund Balances:</b>	
Federal or State Funds Grant Restriction	\$ 15,421
Retirement of Long-Term Debt	615,042
<b>Committed Fund Balances</b>	
Construction	-
<b>Unassigned:</b>	
	2,407,047
<b>Total Fund Balance</b>	<b>\$ 3,037,510</b>

**G. LONG-TERM OBLIGATIONS**

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

**1. Long-Term Obligations Activity**

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations, during the year ended June 30, 2021, are as follows:

Description	Maturity Date	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Outstanding 07/01/20	Increases	Decreases	Ending Balance 6/30/2021	Due within one year
2016 Unlimited Tax Refunding Bonds	8/15/2037	2-3.00%	2,160,000	72,150	1,965,000	-	80,000	1,885,000	85,000
2018 Unlimited Tax Refunding Bonds	8/15/2037	2-4.00%	7,175,000	257,025	6,635,000	-	335,000	6,300,000	350,000
2019 Maintenance Tax Notes	8/31/2034	3-4.00%	1,725,000	59,250	1,725,000	-	85,000	1,640,000	90,000
State Energy Conservation Office - (SECO) Loan-No collateral	8/31/2035	2.0%	1,440,230	35,071	1,440,230	-	49,541	1,390,689	85,539
Net Premium/Discount					757,946		32,436	725,510	47,286
<b>Total Long-Term Debt</b>				<b>\$ 423,496</b>	<b>\$ 12,523,176</b>	<b>\$ -</b>	<b>\$ 581,977</b>	<b>\$ 11,941,199</b>	<b>\$ 657,825</b>
Net Pension Liability					2,276,575	424,223	193,183	2,507,615	-
Net OPEB Liability					3,049,473	(554,048)	48,916	2,446,509	-
<b>Total Other Long-Term Debt</b>					<b>-</b>	<b>5,326,048</b>	<b>(129,825)</b>	<b>242,099</b>	<b>4,954,124</b>
<b>Total Governmental Activities</b>					<b>\$ 423,496</b>	<b>\$ 17,849,224</b>	<b>\$ (129,825)</b>	<b>\$ 824,076</b>	<b>\$ 16,895,323</b>



**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**G. LONG-TERM OBLIGATIONS (continued)**

**2. Debt Service Requirements**

Debt service requirements on long-term debt during the year ended June 30, 2021, are as follows:

Year Ending August 31,	Governmental Activities:		
	Principal	Interest	Total
2022	610,539	397,703	1,008,242
2023	627,262	375,554	1,002,816
2024	539,021	354,871	893,892
2025	555,815	335,652	891,467
2026	582,645	315,647	898,292
Thereafter	8,300,407	2,042,127	10,342,534
Totals	<u>\$ 11,215,689</u>	<u>\$ 3,821,554</u>	<u>\$ 15,037,243</u>

**3. Advance Refunding of Debt**

On December 8, 2016 the District issued Series 2016 bonds totaling \$2,160,000 with interest rates ranging from 2.00% to 3.00% to advance refund \$2,170,000 of Series 2007 Bonds with an interest rate of 4.00% to 4.50%. The net proceeds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, \$2,170,000 of Series 2007 bonds are considered to be defeased and the liability for those bonds was removed from long-term debt. As a result of the refunding, the cash flows required to service the old debt amounted to \$6,807,681 and the cash flow to service the new debt will amount to \$6,548,521. The refunding resulted in a savings of \$259,160 and a net present value savings of \$10,000 (or 0.463% of the principal amount of the Refunded Bonds) which were used to refund the Series 2007 bonds and to pay costs of issuance.

On February 15, 2019 the District issued Series 2019 bonds totaling \$7,175,000 with interest rates ranging from 2.00% to 4.00% to advance refund \$2,385,000 of Series 2008 Bonds with an interest rate of 4.00% to 4.52%. The net proceeds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, \$2,385,000 of Series 2008 bonds are considered to be defeased and the liability for those bonds was removed from long-term debt. As a result of the refunding, the cash flows required to service the old debt amounted to \$13,579,123 and the cash flow to service the new debt will amount to \$13,374,667. The refunding resulted in a savings of \$204,456 and a net present value loss of \$4,790,000 (or 0.667% of the principal amount of the Refunded Bonds) which were used to refund the Series 2008 bonds and to pay costs of issuance.

**4. Deferred Charge on Refunding**

At the government-wide financial statements (Exhibit A-1), the District reports cumulative charges on refunding as net deferred outflows in the amount of \$70,882.

## LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2021

### **H. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2017, the District purchased commercial insurance to cover general liabilities. There were no significant reduction in coverage in the past year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

### **I. PENSION PLAN OBLIGATIONS**

#### **A. Plan Description**

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

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

#### **B. Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### **C. 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 in (A) above.

# LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2021

## I. PENSION PLAN OBLIGATIONS (Continued)

### D. Contributions

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

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

	Contribution Rates	
	2020	2021
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
La Villa ISD 2021 Employer Contributions		\$ 196,054
La Villa ISD 2021 Member Contributions		\$ 389,639
La Villa ISD 2020 NECE On-Behalf Contributions		\$ 271,279

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**I. PENSION PLAN OBLIGATIONS (Continued)**

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

- All public schools, charter schools, and regional 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.

**E. Actuarial Assumptions**

The total pension liability in the August 31, 2019 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
Inflation	2.3%
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% participation 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

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements

For the Year Ended June 30, 2021

**I. PENSION PLAN OBLIGATIONS (Continued)**

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

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

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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, 2019 are summarized below:

Asset Class	Target Allocation <sup>1</sup>	Long-term Expected Arithmetic Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.70%	-0.05%
Stable Value Hedge	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.01%
Energy and Natural Resources	6.00%	6.00%	0.42%
<b>Risk Parity</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Leverage</b>			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag <sup>3</sup>			-0.67%
<b>Total</b>	<b>100%</b>		<b>7.33%</b>

<sup>1</sup> Target allocations are based on the FY2020 policy model.

<sup>2</sup> Capital market assumptions come from Aon Hewitt (as of 08/31/2020)

<sup>3</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended June 30, 2021

**I. PENSION PLAN OBLIGATIONS (Continued)**

**G. 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%)
La Villa's proportionate share of the net pension liability:	\$ 3,866,697	\$ 2,507,615	\$ 1,403,390

**H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, the District reported a liability of \$2,507,615 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 2,507,615
State's proportionate share that is associated with the District	3,521,345
Total	<u>\$ 6,028,960</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 .0046820582%, which was an increase (decrease) of .0003026090% 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 June 30, 2021, the District recognized pension expense of \$212,529 and revenue of \$423,540 for support provided by the State.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**I. PENSION PLAN OBLIGATIONS (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,579	\$ 69,981
Changes in actuarial assumptions	581,856	247,401
Difference between projected and actual investment earnings	50,765	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	350,876	228,643
Total as August 31, 2020 measurement date	988,076	546,025
Contributions paid to TRS subsequent to the measurement date	166,007	-
Total as of fiscal year ended	\$ 1,154,083	\$ 546,025

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

Year ended June 30,	Pension Expense Amount
2022	\$ 129,562
2023	152,814
2024	124,788
2025	46,320
2026	(17,092)
Thereafter	5,659

**J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

**A. Plan Description**

The La Villa Independent School 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 Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

# LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2021

## **J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

### **B. OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

### **C. Benefits Provided**

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all 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 retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes, including automatic COLAs.

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

**TRS-Care Monthly for Retirees**

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

### **D. 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.



**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

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 .75 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. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2020	2021
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
La Villa ISD 2021 Employer Contributions		\$ 98,620
La Villa ISD 2021 Member Contributions		\$ 387,627
La Villa ISD 2020 NECE On-Behalf Contributions		\$ 65,730

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.

**E. Actuarial Assumptions**

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

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

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended June 30, 2021

**J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

The following assumptions and other inputs used for members of the 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
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	2.33% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2021

**J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

**F. Discount Rate:**

A single discount rate of 2.33% 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 contribution entity are made at the statutory required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefits 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.

**G. Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% or less than and 1% greater than the discount rate that was used in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
La Villa's proportionate share of the Net OPEB liability:	\$ 2,935,806	\$ 2,446,509	\$ 2,060,036

**H. OPEB Liabilities, OPEB Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEBs**

At June 30, 2021, the District reported a liability of \$2,446,509 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	\$ 2,446,509
State's proportionate share that is associated with the District	3,287,522
Total	<u>\$ 5,734,031</u>

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended June 30, 2021

**J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

The Net OPEB liability was measured as of August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as 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 30, 2020 the employer's proportion of the collective Net OPEB Liability was .00464357241%, which was an increase (decrease) of (.0000125646)% from its proportion measured as of August 31, 2019.

**Healthcare Cost Trend Rates Sensitivity Analysis**

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease In Healthcare Trend Rate	Current Healthcare Cost Trend Rate	1% Increase In Healthcare Trend Rate
La Villa's proportionate share of the Net OPEB liability:	\$ 1,998,485	\$ 2,446,509	\$ 3,043,215

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

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

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

For the ended June 30, 2021, the District recognized OPEB expense of \$812,257 and revenue of \$22,827 for support provided by the State.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2021**

**J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 128,098	\$ 1,119,648
Changes in actuarial assumptions	150,899	671,824
Difference between projected and actual investment earnings	795	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	463,087	389,455
Total as of August 31, 2020 measurement date	742,879	2,180,927
Contributions paid to TRS subsequent to the measurement date	81,623	
Total as of fiscal year-end	\$ 824,502	\$ 2,180,927

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

Year ended August 31:	Pension Expense Amount
2022	\$ (230,470)
2023	(230,576)
2024	(230,637)
2025	(230,622)
2026	(165,274)
Thereafter	(350,469)

**K. RETIREE HEALTH CARE PLAN**

**Plan Description.** The La Villa Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2021

**K. MEDICARE PART D-ON BEHALF PAYMENTS**

*Medicare 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 retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity. The on behalf payments for La Villa Independent School District for 2021, 2020 and 2019 were \$23,675, \$22,887, and \$18,474 respectively.

**L. DEFERRED REVENUE**

Deferred revenue at year end consisted of the following:

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u>
Net Tax Revenue	\$ 171,051	\$ -	\$ 41,527	\$ 212,578
Total Deferred Revenue	\$ 171,051	\$ -	\$ 41,527	\$ 212,578

**M. DUE FROM & DUE TO STATE AGENCIES**

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 June 30, 2021, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from State Agencies.

<u>DUE</u> <u>FROM FUND</u>	<u>STATE</u> <u>ENTITLEMENTS</u>	<u>FEDERAL</u> <u>GRANTS</u>	<u>TOTAL</u>
General	\$ 960,568	\$ -	\$ 960,568
Special Revenue	16,636	777,177	793,813
Total	<u>977,204</u>	<u>777,177</u>	<u>1,754,381</u>
 <u>DUE</u> <u>TO FUND</u>			
General	7,443	-	7,443
Special Revenue	68,928	443	69,371
	<u>\$ 76,371</u>	<u>\$ 443</u>	<u>\$ 76,814</u>

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2021

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

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u>
Property Taxes	\$ 1,200,472	\$ -	\$ 482,244	\$ -	\$ 1,682,716
Penalties, Interest and Other					
Tax-related Income	26,197	-	7,834	-	34,031
Investment Income	472	-	-	-	472
Food Sales	-	-	-	-	-
Co-curricular Student Activities	9,706	-	-	-	9,706
Other	70,161	2,553	-	-	72,714
Total	<u>\$ 1,307,008</u>	<u>\$ 2,553</u>	<u>\$ 490,078</u>	<u>\$ -</u>	<u>\$ 1,799,639</u>

**O. HEALTH CARE COVERAGE**

During the year ended June 30, 2021, employees of the District were covered by health insurance plan (the Plan). The District paid premiums of \$429 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable October 1, and terms of coverage and premium costs are included in the contractual provisions.

**P. COMMITMENTS AND CONTINGENCIES**

**1. Contingencies**

The District participates in grant programs which are governed by various rules 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, refunds of any money received may be required and the collectability of any related receivable 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 basic financial statements for such contingencies.

**Q. EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through December 17, 2021 the date which the financial statements were available to be issued.

**LA VILLA INDEPENDENT SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2021

**R. MAINTENANCE OF EFFORT-HEALTH CARE**

For fully insured districts/entities/risk pools, enter the total amount paid by the district for employee health care premiums as reported to TEA per Note K.

a) Total District Premium paid for health care 2020-2021	<u>\$ 441,870</u>
b) Subtract any non-medical expenditures	
Life Insurance	\$ 576
Long-Term Disability	-
c) 2020-2021 Maintenance of Effort	<u>\$ 441,294</u>

**S. GASB 63**

GASB 63 -- Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows of resources are the acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are incorporated into the definitions of the required components of the residual measure and that measure is renamed as net position, rather than net assets.

**T. GASB 68**

GASB 68 -- establishes standards for accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria as described in GASB 67. This statement replaces the requirements of GASB Statement 27, Accounting for Pensions by State and Local Governmental Employers. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning pension liability



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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 1,442,435	\$ 1,349,320	\$ 1,307,008	\$ (42,312)
5800 State Program Revenues	6,554,919	6,973,146	6,776,378	(196,768)
5900 Federal Program Revenues	1,200	553,252	523,489	(29,763)
5020 Total Revenues	7,998,554	8,875,718	8,606,875	(268,843)
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	3,453,910	3,203,022	3,262,733	(59,711)
0012 Instructional Resources and Media Services	11,719	135,083	129,833	5,250
0013 Curriculum and Instructional Staff Development	117,719	181,945	116,977	64,968
0021 Instructional Leadership	177,314	-	-	-
0023 School Leadership	519,718	499,310	496,102	3,208
0031 Guidance, Counseling, and Evaluation Services	289,707	274,227	274,051	176
0033 Health Services	100,046	110,347	117,029	(6,682)
0034 Student (Pupil) Transportation	147,680	92,590	49,521	43,069
0035 Food Services	8,715	543,491	510,743	32,748
0036 Extracurricular Activities	425,832	481,808	379,106	102,702
0041 General Administration	863,094	777,667	698,913	78,754
0051 Facilities Maintenance and Operations	1,140,310	1,191,726	1,086,309	105,417
0052 Security and Monitoring Services	144,371	128,705	105,546	23,159
0053 Data Processing Services	203,502	293,337	280,965	12,372
0061 Community Services	35,830	14,795	5,271	9,524
Debt Service:				
0071 Principal on Long-Term Debt	172,540	148,835	134,541	14,294
0072 Interest on Long-Term Debt	-	80,819	94,321	(13,502)
0073 Bond Issuance Cost and Fees	-	-	2,000	(2,000)
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	33,352	-	33,352
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	135,000	152,135	-	152,135
0099 Other Intergovernmental Charges	13,177	18,151	13,612	4,539
6030 Total Expenditures	7,960,184	8,361,345	7,757,573	603,772
1100 Excess of Revenues Over Expenditures	38,370	514,373	849,302	334,929
<b>OTHER FINANCING SOURCES (USES):</b>				
8911 Transfers Out (Use)	-	(50,089)	(28,540)	21,549
1200 Net Change in Fund Balances	38,370	464,284	820,762	356,478
0100 Fund Balance - July 1 (Beginning)	1,639,269	1,639,269	1,639,269	-
3000 Fund Balance - June 30 (Ending)	\$ 1,677,639	\$ 2,103,553	\$ 2,460,031	\$ 356,478

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

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.004682058%	0.004379449%	0.005015069%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 2,507,615	\$ 2,276,575	\$ 2,760,416
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	3,521,345	3,522,360	3,671,699
Total	<u>\$ 6,028,960</u>	<u>\$ 5,798,935</u>	<u>\$ 6,432,115</u>
District's Covered Payroll	\$ 5,336,334	\$ 6,054,441	\$ 4,280,955
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	46.99%	37.60%	64.48%
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.

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.004352636%	0.004796722%	0.0042264%	0.0028692%
\$ 1,391,738	\$ 1,812,610	\$ 1,493,976	\$ 766,403
2,265,158	2,692,256	2,654,898	2,172,430
<u>\$ 3,656,896</u>	<u>\$ 4,504,866</u>	<u>\$ 4,148,874</u>	<u>\$ 2,938,833</u>
\$ 4,549,451	\$ 4,549,407	\$ 4,237,190	\$ 2,938,833
30.59%	39.84%	35.26%	26.08%
82.17%	78.00%	78.43%	83.25%

LA VILLA 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	\$ 196,054	\$ 172,632	\$ 196,724
Contribution in Relation to the Contractually Required Contribution	(196,054)	(172,632)	(196,724)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 5,073,753	\$ 5,348,426	\$ 6,054,441
Contributions as a Percentage of Covered Payroll	3.86%	3.23%	3.25%

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
\$	147,082	141,252	151,669	127,544
	(147,082)	(141,252)	(151,669)	(127,544)
\$	-	-	-	-
\$	4,676,802	4,595,307	4,540,067	4,237,190
	3.14%	3.07%	3.34%	3.01%

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

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.006435724%	0.006448289%	0.007237441%	0.006113278%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 2,446,509	\$ 3,049,473	\$ 3,613,721	\$ 2,658,435
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	3,287,522	4,052,070	3,766,206	3,367,635
Total	<u>\$ 5,734,031</u>	<u>\$ 7,101,543</u>	<u>\$ 7,379,927</u>	<u>\$ 6,026,070</u>
District's Covered Payroll	\$ 5,336,334	\$ 6,054,714	\$ 4,280,955	\$ 4,549,451
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	45.85%	50.37%	84.41%	58.43%
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.

LA VILLA 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	\$ 98,620	\$ 46,774	\$ 46,345	\$ 48,135
Contribution in Relation to the Contractually Required Contribution	(98,620)	(46,774)	(46,345)	(48,135)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 5,073,753	\$ 5,348,426	\$ 6,054,714	\$ 4,676,802
Contributions as a Percentage of Covered Payroll	1.94%	0.87%	0.77%	1.03%

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.

## **COMBINING AND OTHER STATEMENTS**



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

Data Control Codes	212 ESEA Title I Part C Migrant	255 ESEA Title A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA VI, Pt B Rural & Low Income	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 141,373	\$ -	\$ -	\$ 53
1240	Due from Other Governments	89,730	32,095	560	-
1260	Due from Other Funds	49,394	-	1,759	10,904
1000	<b>Total Assets</b>	<u>\$ 280,497</u>	<u>\$ 32,095</u>	<u>\$ 2,319</u>	<u>\$ 10,957</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ 2,259	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	280,497	32,095	60	10,957
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2000	<b>Total Liabilities</b>	<u>280,497</u>	<u>32,095</u>	<u>2,319</u>	<u>10,957</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 280,497</u>	<u>\$ 32,095</u>	<u>\$ 2,319</u>	<u>\$ 10,957</u>

EXHIBIT H-1 (Cont'd)

273 Mathematics & Science Partnerships	274 GEAR UP	276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	282 ESSER III	289 Other Federal Special Revenue Funds	331 SSA - Career & Technical - Basic Grant	410 State Instructional Materials
\$ 4,050	\$ 32,600	\$ -	\$ 31,350	\$ -	\$ 4,825	\$ -	\$ 66,878
-	27,543	12,042	-	163,845	9,007	2,553	16,122
-	-	17,870	-	-	30,843	-	41,977
<u>\$ 4,050</u>	<u>\$ 60,143</u>	<u>\$ 29,912</u>	<u>\$ 31,350</u>	<u>\$ 163,845</u>	<u>\$ 44,675</u>	<u>\$ 2,553</u>	<u>\$ 124,977</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195	\$ -	\$ 33,048
4,050	59,534	29,912	31,350	9,446	-	-	58,099
-	-	-	-	153,705	44,480	2,553	68,928
-	-	-	-	-	-	-	-
-	609	-	-	694	-	-	-
<u>4,050</u>	<u>60,143</u>	<u>29,912</u>	<u>31,350</u>	<u>163,845</u>	<u>44,675</u>	<u>2,553</u>	<u>160,075</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(35,098)
-	-	-	-	-	-	-	(35,098)
<u>\$ 4,050</u>	<u>\$ 60,143</u>	<u>\$ 29,912</u>	<u>\$ 31,350</u>	<u>\$ 163,845</u>	<u>\$ 44,675</u>	<u>\$ 2,553</u>	<u>\$ 124,977</u>

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

Data. Control Codes	428 Other State Special Revenue Fund	429 Other State Special Revenue Funds	461 Campus Activity Funds	459 Other SSA Special Revenue Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ 15,671	\$ 4,519	\$ -
1240 Due from Other Governments	-	-	514	-
1260 Due from Other Funds	-	35,925	143	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 51,596</u>	<u>\$ 5,176</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ 1	\$ -	\$ -
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	36,174	3,299	-
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	-	-	1,877	-
2200 Accrued Expenditures	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>36,175</u>	<u>5,176</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	15,421	-	-
3600 Unassigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>15,421</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 51,596</u>	<u>\$ 5,176</u>	<u>\$ -</u>

EXHIBIT H-1

Total Nonmajor Special Revenue Funds	602 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 301,319	\$ 2,245	\$ 303,564
354,011	-	354,011
188,815	82,000	270,815
<u>\$ 844,145</u>	<u>\$ 84,245</u>	<u>\$ 928,390</u>
\$ 35,503	\$ 102,131	\$ 137,634
9,446	-	9,446
746,765	-	746,765
68,928	-	68,928
1,877	-	1,877
1,303	-	1,303
<u>863,822</u>	<u>102,131</u>	<u>965,953</u>
15,421	-	15,421
<u>(35,098)</u>	<u>(17,886)</u>	<u>(52,984)</u>
<u>(19,677)</u>	<u>(17,886)</u>	<u>(37,563)</u>
<u>\$ 844,145</u>	<u>\$ 84,245</u>	<u>\$ 928,390</u>

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

Data Control Codes	212 ESEA Title I Part C Migrant	255 ESEA ILA Training and Recruiting	263 Title III, A English Lang, Acquisition	270 ESEA VI, Pt B Rural & Low Income
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	108,448	39,689	60	-
5020 Total Revenues	108,448	39,689	60	-
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	74,240	-	-	-
0013 Curriculum and Instructional Staff Development	-	39,564	60	-
0031 Guidance, Counseling, and Evaluation Services	-	125	-	-
0041 General Administration	14,866	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	19,342	-	-	-
6030 Total Expenditures	108,448	39,689	60	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

EXHIBIT H-2 (Cont'd)

273 Mathematics & Science Partnerships	274 GEAR UP	276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	282 ESSER III	289 Other Federal Special Revenue Funds	331 SSA - Career & Technical - Basic Grant	410 State Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,553	\$ -
-	104,992	12,043	31,350	164,262	3,494	-	70,123
-	104,992	12,043	31,350	164,262	3,494	2,553	70,123
-	104,992	12,043	31,350	89,914	3,494	2,553	71,623
-	-	-	-	74,348	-	-	(1,500)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	104,992	12,043	31,350	164,262	3,494	2,553	70,123
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(35,098)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (35,098)

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

Data Control Codes	428 Other State Special Revenue Fund	429 Other State Special Revenue Funds	461 Campus Activity Funds	459 Other SSA Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	24,395	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>24,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0041 General Administration	-	-	-	-
0052 Security and Monitoring Services	24,395	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	<u>24,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	15,421	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 15,421</u>	<u>\$ -</u>	<u>\$ -</u>

Total Nonmajor Special Revenue Funds	602 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 2,553	\$ -	\$ 2,553
94,518	-	94,518
464,338	-	464,338
<u>561,409</u>	<u>-</u>	<u>561,409</u>
390,209	-	390,209
112,472	-	112,472
125	-	125
14,866	-	14,866
24,395	-	24,395
19,342	-	19,342
<u>561,409</u>	<u>-</u>	<u>561,409</u>
-	-	-
(19,677)	(17,886)	(37,563)
<u>\$ (19,677)</u>	<u>\$ (17,886)</u>	<u>\$ (37,563)</u>



LA VILLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 JUNE 30, 2021

	863 Payroll Clearing Fund	865 Custodial Fund Student Activity Acct	Total Custodial Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,433	\$ 49,863	\$ 55,296
Due from Other Funds	-	5,610	5,610
Other Receivables	2,617	-	2,617
Total Assets	8,050	55,473	63,523
<b>LIABILITIES</b>			
Due to Other Funds	8,050	-	8,050
Due to Student Groups	-	55,473	55,473
Total Liabilities	8,050	55,473	63,523

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

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ 314,070,424
2013	1.033800	0.270000	95,965,267
2014	1.170000	0.133800	101,944,547
2015	1.170000	0.133800	102,306,675
2016	1.170000	0.133800	72,821,190
2017	1.170000	0.133800	93,848,955
2018	1.170000	0.133800	99,628,786
2019	1.170000	0.313800	102,753,711
2020	1.068400	0.415400	108,669,780
2021 (School year under audit)	1.054800	0.429000	110,353,989
1000 TOTALS			

(10) Beginning Balance 7/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
\$ 65,147	\$ -	\$ 3,692	\$ 619	\$ 18,137	\$ 78,973
6,888	-	963	251	(358)	5,316
5,989	-	584	67	(356)	4,982
8,593	-	1,599	183	398	7,209
7,514	-	1,877	214	259	5,682
11,934	-	3,737	427	318	8,088
18,889	-	4,384	502	336	14,339
40,441	-	10,285	2,759	(2,193)	25,204
72,764	-	24,973	9,709	(7,006)	31,076
-	1,673,868	1,148,701	467,191	(2,647)	55,329
<u>\$ 238,159</u>	<u>\$ 1,673,868</u>	<u>\$ 1,200,795</u>	<u>\$ 481,922</u>	<u>\$ 6,888</u>	<u>\$ 236,198</u>

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 12,000	\$ -	\$ -	\$ -
5800 State Program Revenues	2,500	4,794	4,794	-
5900 Federal Program Revenues	426,840	541,238	504,895	(36,343)
5020 Total Revenues	441,340	546,032	509,689	(36,343)
<b>EXPENDITURES:</b>				
Current:				
0035 Food Services	441,340	534,458	501,898	32,560
6030 Total Expenditures	441,340	534,458	501,898	32,560
1200 Net Change in Fund Balances	-	11,574	7,791	(3,783)
0100 Fund Balance - July 1 (Beginning)	40,177	40,177	40,177	-
3000 Fund Balance - June 30 (Ending)	\$ 40,177	\$ 51,751	\$ 47,968	\$ (3,783)

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 506,912	\$ 490,054	\$ 490,078	\$ 24
5800 State Program Revenues	187,174	262,070	262,070	-
5020 Total Revenues	694,086	752,124	752,148	24
<b>EXPENDITURES:</b>				
Debt Service:				
0071 Principal on Long-Term Debt	415,000	415,000	415,000	-
0072 Interest on Long-Term Debt	329,175	329,175	329,175	-
6030 Total Expenditures	744,175	744,175	744,175	-
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,089)	7,949	7,973	24
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	50,089	28,540	(21,549)
1200 Net Change in Fund Balances	(50,089)	58,038	36,513	(21,525)
0100 Fund Balance - July 1 (Beginning)	578,529	578,529	578,529	-
3000 Fund Balance - June 30 (Ending)	\$ 528,440	\$ 636,567	\$ 615,042	\$ (21,525)

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

**Raul Hernandez & Company, P.C.**  
Certified Public Accountants  
5402 Holly Rd., Suite 102  
Corpus Christi, Texas 78411  
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**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***

**Independent Auditors' Report**

La Villa Independent School District  
500 East 9<sup>th</sup> Street  
La Villa, Texas 78562

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 La Villa Independent School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise La Villa Independent School District's basic financial statements, and have issued our report thereon dated December 17, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered La Villa 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 La Villa Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of La Villa 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 La Villa 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.

*Raul Hernandez & Company, P.C.*

Corpus Christi, Texas

December 17, 2021



**Raul Hernandez & Company, P.C.**

Certified Public Accountants  
5402 Holly Rd, Suite 102  
Corpus Christi, Texas 78411  
Office (361)980-0482 Fax (361)980-1002

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

**Independent Auditors' Report**

La Villa Independent School District  
500 East 9<sup>th</sup> Street  
La Villa, Texas 78562

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

We have audited La Villa 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 La Villa Independent School District's major federal programs for the year ended June 30, 2021. La Villa Independent School Districts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of La Villa 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 La Villa 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 La Villa Independent School District's compliance.

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

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

### **Report on Internal Control over Compliance**

Management of La Villa 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 La Villa 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 of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of La Villa 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 of employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

**Report on Schedule of Expenditures of Federal Awards by the Uniform Guidance**

We have audited the financial statements of La Villa Independent School District as of and for the year ended June 30, 2021, and have issued our report thereon dated December 17, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Raul Hernandez + Company, P.C.*

Corpus Christi, Texas  
December 17, 2021

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

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**B. Financial Statement Findings**

NONE

**C. Federal Award Findings and Questioned Costs**

NONE

LA VILLA INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

N/A

LA VILLA INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2021

N/A.

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

EXHIBIT K-1 (Cont'd)

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>DEPARTMENT OF THE TREASURY</b>			
<u>Passed Through State Department of Education</u>			
COVID - 19 Coronavirus Relief Fund	21.019	52202002	\$ 31,350
Total Passed Through State Department of Education			<u>31,350</u>
<b>TOTAL DEPARTMENT OF THE TREASURY</b>			<u>31,350</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20680101108914	22,417
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21680101108914	353,213
Total Assistance Listing Number 84.010A			<u>375,630</u>
ESEA, Title I, Part C - Migratory Children	84.011	20610101108914	67,635
ESEA, Title I, Part C - Migratory Children	84.011	21610101108914	40,814
Total Assistance Listing Number 84.011			<u>108,449</u>
SSA - Career and Technical - Basic Grant	84.048	20615001108914	1,953
SSA - Career and Technical - Basic Grant	84.048	21615001108914	600
Total Assistance Listing Number 84.048			<u>2,553</u>
GEAR UP	84.334S	20615001108914	22,758
GEAR UP	84.334S	21615001108914	82,233
Total Assistance Listing Number 84.334S			<u>104,991</u>
Title III, Part A - English Language Acquisition	84.365A	20671001108914	60
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20641501108914	12,474
ESEA, Title II, Part A, Teacher Principal Training	84.367A	21694501108914	27,215
Total Assistance Listing Number 84.367A			<u>39,689</u>
Title I SIP Academy Grant	84.377A	21521001108914	12,043
Elementary & Secondary School Emergency Relief Fd	84.425D	20521001108914	13,988
Elementary & Secondary School Emergency Relief Fd	84.425D	21521001108914	84,465
Elementary Secondary School Emergency Relief III	84.425U	S425D200042	164,262
Total Assistance Listing Number 84.425			<u>262,715</u>
	84.424	20680101108914	893
	84.424	21680101108914	2,602
Total Assistance Listing Number 84.424			<u>3,495</u>
Total Passed Through State Department of Education			<u>909,625</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>909,625</u>

LA VILLA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10,553	7140221	179,805
*National School Lunch Program - Cash Assistance	10,555	7130221	299,245
*National School Lunch Prog. - Non-Cash Assistance	10,555	7130221	25,845
Total Assistance Listing Number 10,555			<u>325,090</u>
Total Child Nutrition Cluster			<u>504,895</u>
Total Passed Through the State Department of Agriculture			<u>504,895</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>504,895</u>
			<u>\$ 1,445,870</u>

\* Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.



**LA VILLA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE SCHEDULE EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of La Villa Independent School District. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Sub-recipients:**

During the fiscal year ended June 30, 2021, the District had no sub-recipients.

**Federal Loans and Loan Guarantees:**

During the fiscal year ended June 30, 2021, the District had no outstanding federal loans payable or loan guarantees.

**Federally Funded Insurance:**

During the fiscal year ended June 30, 2021, the District had no federally funded insurance.

**Noncash awards:**

During the fiscal year ended June 30, 2021, the District did not receive noncash-assistance under the National School Lunch Program.

**Indirect Cost Rate:**

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the fiscal year ended June 30, 2021, the District did not elect to use this rate.

**Reconciliation from the Schedule of Expenditures of Federal Awards to Exhibit C-3:**

Total Federal Award Expended	\$ 1,461,910
ESSEER	(16,040)
Exhibit C-3	<u>\$ 1,445,870</u>