

**DUBLIN**  
**INDEPENDENT SCHOOL DISTRICT**  
**ERATH COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**DUBLIN INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2020**

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**DUBLIN INDEPENDENT SCHOOL DISTRICT  
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**CERTIFICATE OF BOARD**

|   |                                 |  |
|---|---------------------------------|--|
| <b>Dublin</b><br><b>Independent School District</b><br>_____<br>Name of School District | <b>Erath</b><br>_____<br>County | <b>072902</b><br>_____<br>County – District Number |
|---|---------------------------------|--|

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended **August 31, 2020**, at a meeting of the Board of Trustees of such school district on the **11th** day of **January, 2021**.

\_\_\_\_\_  
Signature of Board President

\_\_\_\_\_  
Signature of Board Secretary

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is(are):  
(attach list as necessary)

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# James E. Rodgers and Company, P.C.

Certified Public Accountants

20 Southwest Third Street • PO Box 669 • Hamlin, Texas 79520 • Tel: 325-576-2356 • Fax: 325-576-3525

E-mail: [rodgerscpa@att.net](mailto:rodgerscpa@att.net)

Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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January 11, 2021

## Report on Financial Statements Issued in Accordance with Government Auditing Standards and a Single Audit Accompanied by Required Supplementary Information, Supplementary Information, and Other Information

### Independent Auditor's Report

To the Board of Trustees  
Dublin Independent School District  
Dublin, Texas 76446

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Dublin Independent School District (the District) as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the Dublin Independent School District's basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Dublin Independent School District, as of August 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules for pension and OPEB liabilities and contributions 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 Dublin Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements, and the Texas Education Agency required information in conformity with laws and regulations of the State of Texas in Exhibits J-1 through J-3, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Texas Education Agency required information in conformity with laws and regulations of the state of Texas in Exhibits J-1 through J-3, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the Texas Education Agency required information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section has 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 this section.

# James E. Rodgers and Company, P.C.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2021, on our consideration of the Dublin 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dublin Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dublin Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



James E. Rodgers and Company, P.C.



# Dublin



## Independent School District

420 North Post Oak  
Dublin, Texas 76446

Dr. Rodney Schneider, Superintendent

Ms. Melissa Summers, Assist. Superintendent

**DISD: Preparing students for tomorrow's world by building a stronger community today**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the administration of **Dublin Independent School District**, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2020. Please read it in conjunction with the independent auditor's report and the District's Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

The District's summary financial information for the current fiscal year is as follows:

#### Highlights of Current Fiscal Year Finances

|  |    |            |
|--|----|------------|
| District's Total Net Position at the End of the Year | \$ | 5,281,729  |
| Total District Revenues for the Current Fiscal Year  |    | 17,264,236 |
| Total District Expenses for the Current Fiscal Year  |    | 16,855,460 |
| Fund Balance in the General Fund at the End of Year  |    | 3,267,076  |

#### Changes in the District's Finances from the Previous Fiscal Year

|  | Increase (Decrease) |        |
|--|---------------------|--------|
|  | \$                  | %      |
| <b><u>Change in Net Position:</u></b>                    |                     |        |
| Change in the District's Total Net Position              | \$ 408,776          | 8.39%  |
| <b><u>Revenue Changes:</u></b>                           |                     |        |
| Change in the District's Total Revenues                  | \$ 1,723,662        | 11.09% |
| Change in the District's Property Tax Revenues           | (67,012)            | -1.46% |
| Change in the District's State Aid Formula Grants        | 1,603,119           | 22.55% |
| Change in Operating Grants and Contributions             | 462,217             | 15.64% |
| <b><u>Expense Changes:</u></b>                           |                     |        |
| Change in the District's Total Expenses                  | \$ 237,241          | 1.43%  |
| <b><u>Other Information:</u></b>                         |                     |        |
| Change in the District's General Fund Balance            | \$ 762,834          | 30.46% |
| Excess (Deficit) of Actual Revenue over Budgeted Revenue | (188,976)           | -2.01% |



## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net position* presents information for all the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported a *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property tax and earned but unused sick and vacation leave.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes, intergovernmental revenues, and user fees & charges (*governmental activities*). The governmental activities of the District include the education of District students and the programs necessary to support such education.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The District maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund since it is a major fund as defined by governmental accounting standards. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with this budget. Supplementary budgetary comparison schedules have also been prepared for the Child Nutrition and Debt Service Funds and are included in the other supplementary information section of this report.

**Proprietary funds.** The District maintains proprietary funds. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses this

internal service fund to account for its workers compensation self-insurance program. Internal service funds are generally considered a *governmental activity* and are included in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District’s own programs. The District maintains student activity accounts as fiduciary funds.

**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.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. In addition, certain information required by the Texas Education Agency and the federal government regarding tax collection and grant expenditures is also presented along with required supplementary information related to the District’s contributions to a cost-sharing pension plan with the Teacher Retirement System of Texas.

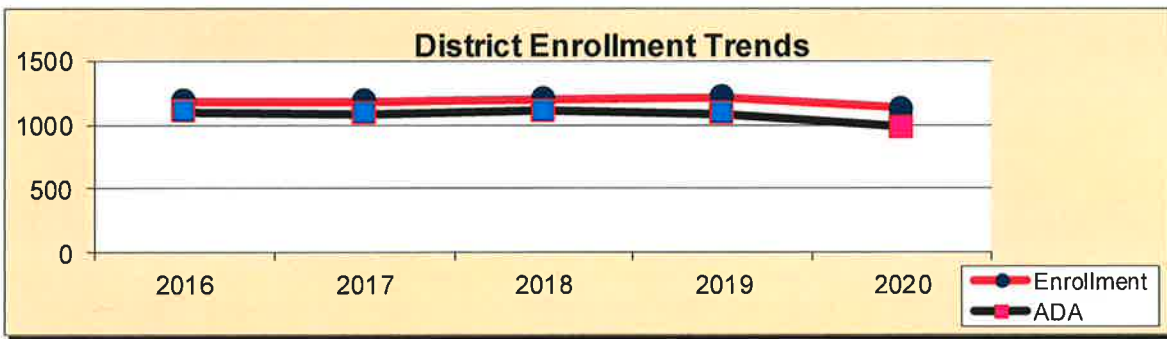
**DISTRICT FINANCES and FUNDING**

District activities are primarily funded from local property tax revenues and education funding from the State of Texas. State funding for public education in Texas is based upon the District’s average daily attendance, thus the District’s revenue is highly dependent on enrollment and attendance. The District receives additional weighted funding for students enrolled in career and technology coursework, gifted and talented, special education, bilingual, and compensatory education programs. The demographics of the District and the types of coursework students pursue are constantly changing and thus affecting funding.

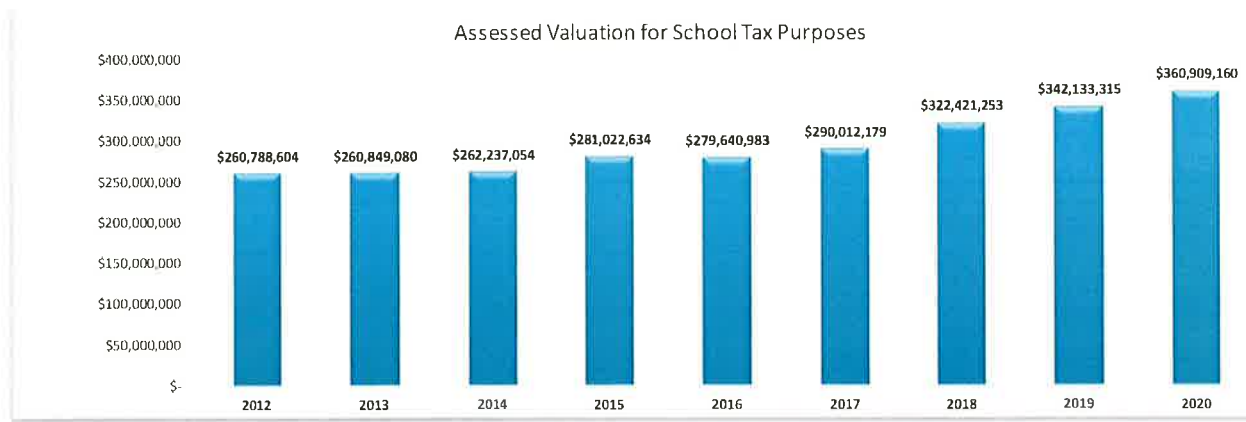
The following chart details the enrollment trends of the District.

**ENROLLMENT TRENDS**

| Year | Enrollment | ADA  |
|------|------------|------|
| 2016 | 1174       | 1098 |
| 2017 | 1177       | 1086 |
| 2018 | 1193       | 1105 |
| 2019 | 1209       | 1084 |
| 2020 | 1126       | 981  |



A history of the District’s assessed valuation for school tax purposes is as follows:



Both student enrollment and the local property tax base are important attributes affecting District finances.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table indicates the net position of the District at the end of the current and prior fiscal years.

|   | Governmental Activities |                      | Business-Type Activities |                 | Totals               |                      |
|---|-------------------------|----------------------|--------------------------|-----------------|----------------------|----------------------|
|   | 2019                    | 2020                 | 2019                     | 2020            | 2019                 | 2020                 |
| Current and other assets                      | \$ 5,723,918            | \$ 5,554,682         | \$ 3,244                 | \$ 5,435        | \$ 5,727,162         | \$ 5,560,117         |
| Capital assets                                | 17,341,637              | 18,526,805           | -                        | -               | 17,341,637           | 18,526,805           |
| Deferred Outflow of Resources                 | 2,543,583               | 2,736,553            | -                        | -               | 2,543,583            | 2,736,553            |
| <b>Total assets and deferred outflows</b>     | <b>\$ 25,609,138</b>    | <b>\$ 26,818,040</b> | <b>\$ 3,244</b>          | <b>\$ 5,435</b> | <b>\$ 25,612,382</b> | <b>\$ 26,823,475</b> |
| Long-term liabilities                         | \$ 9,765,672            | \$ 8,686,427         | \$ -                     | \$ -            | \$ 9,765,672         | \$ 8,686,427         |
| Other liabilities                             | 761,219                 | 1,841,154            | 3,244                    | 5,435           | 764,463              | 1,846,589            |
| Net pension liability                         | 3,537,505               | 3,549,523            | -                        | -               | 3,537,505            | 3,549,523            |
| Net OPEB liability                            | 4,844,158               | 4,744,428            | -                        | -               | 4,844,158            | 4,744,428            |
| Deferred Inflow of Resources                  | 1,827,631               | 2,714,779            | -                        | -               | 1,827,631            | 2,714,779            |
| <b>Total liabilities and deferred inflows</b> | <b>\$ 20,736,185</b>    | <b>\$ 21,536,311</b> | <b>\$ 3,244</b>          | <b>\$ 5,435</b> | <b>\$ 20,739,429</b> | <b>\$ 21,541,746</b> |
| Net Position:                                 |                         |                      |                          |                 |                      |                      |
| Net Investment in capital assets              | \$ 8,444,451            | \$ 10,629,743        | \$ -                     | \$ -            | \$ 8,444,451         | \$ 10,629,743        |
| Restricted                                    | 2,213,572               | 220,477              | -                        | -               | 2,213,572            | 220,477              |
| Unrestricted                                  | (5,785,070)             | (5,568,491)          | -                        | -               | (5,785,070)          | (5,568,491)          |
| <b>Total net position</b>                     | <b>\$ 4,872,953</b>     | <b>\$ 5,281,729</b>  | <b>\$ -</b>              | <b>\$ -</b>     | <b>\$ 4,872,953</b>  | <b>\$ 5,281,729</b>  |

The following table indicates the changes in net position of the District during current and prior fiscal years.

| <b>Table II</b>                                    |                                |                      |                                 |                     |                       |                      |
|--|--------------------------------|----------------------|---------------------------------|---------------------|-----------------------|----------------------|
| <b>Changes in Net Position</b>                     |                                |                      |                                 |                     |                       |                      |
|  | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                     | <b>Totals</b>         |                      |
|  | <b>2019</b>                    | <b>2020</b>          | <b>2019</b>                     | <b>2020</b>         | <b>2019</b>           | <b>2020</b>          |
| <b>Program Revenues:</b>                           |                                |                      |                                 |                     |                       |                      |
| Charges for Services                               | \$ 148,182                     | \$ 499,623           | \$ 71,666                       | \$ 82,580           | \$ 219,848            | \$ 582,203           |
| Operating grants & contributions                   | 2,955,180                      | 3,417,397            | -                               | -                   | 2,955,180             | 3,417,397            |
| <b>General Revenues:</b>                           |                                |                      |                                 |                     |                       |                      |
| Maintenance & operations taxes                     | 4,018,160                      | 3,916,424            | -                               | -                   | 4,018,160             | 3,916,424            |
| Debt service taxes                                 | 559,269                        | 593,993              | -                               | -                   | 559,269               | 593,993              |
| State aid - formula grants                         | 7,107,930                      | 8,711,049            | -                               | -                   | 7,107,930             | 8,711,049            |
| Grants not restricted to specific functions        | 189,930                        | 28,389               | -                               | -                   | 189,930               | 28,389               |
| Investment earnings                                | 61,313                         | 14,781               | -                               | -                   | 61,313                | 14,781               |
| Miscellaneous                                      | 428,944                        | -                    | -                               | -                   | 428,944               | -                    |
| <b>Total Revenues</b>                              | <b>\$ 15,468,908</b>           | <b>\$ 17,181,656</b> | <b>\$ 71,666</b>                | <b>\$ 82,580</b>    | <b>\$ 15,540,574</b>  | <b>\$ 17,264,236</b> |
| <b>Expenses</b>                                    |                                |                      |                                 |                     |                       |                      |
| Instruction, curriculum & media services           | \$ 9,165,115                   | \$ 9,378,758         | \$ 178,966                      | \$ 179,177          | \$ 9,344,081          | \$ 9,557,935         |
| Instructional & school leadership                  | 1,046,242                      | 1,176,189            | 30,879                          | 31,996              | 1,077,121             | 1,208,185            |
| Student support services                           | 992,584                        | 865,662              | -                               | -                   | 992,584               | 865,662              |
| Food services                                      | 765,279                        | 826,427              | 27,390                          | 39,354              | 792,669               | 865,781              |
| Extracurricular activities                         | 1,071,257                      | 980,789              | -                               | -                   | 1,071,257             | 980,789              |
| General administration & data processing           | 1,099,238                      | 1,080,569            | -                               | -                   | 1,099,238             | 1,080,569            |
| Plant maintenance & security                       | 1,832,868                      | 1,921,870            | -                               | -                   | 1,832,868             | 1,921,870            |
| Interest/fees on long term debt                    | 216,017                        | 204,464              | -                               | -                   | 216,017               | 204,464              |
| Other business activities & intergovernmental      | 192,384                        | 170,205              | -                               | -                   | 192,384               | 170,205              |
| <b>Total Expenses</b>                              | <b>\$ 16,380,984</b>           | <b>\$ 16,604,933</b> | <b>\$ 237,235</b>               | <b>\$ 250,527</b>   | <b>\$ 16,618,219</b>  | <b>\$ 16,855,460</b> |
| <b>Increase in net position before other items</b> | <b>\$ (912,076)</b>            | <b>\$ 576,723</b>    | <b>\$ (165,569)</b>             | <b>\$ (167,947)</b> | <b>\$ (1,077,645)</b> | <b>\$ 408,776</b>    |
| Transfers  | (165,569)                      | (167,947)            | 165,569                         | 167,947             | -                     | -                    |
| Refund to Texas Education Agency                   | (34,054)                       | -                    | -                               | -                   | (34,054)              | -                    |
| Net position at 9/1                                | 5,984,652                      | 4,872,953            | -                               | -                   | 5,984,652             | 4,872,953            |
| <b>Total Ending Net Position</b>                   | <b>\$ 4,872,953</b>            | <b>\$ 5,281,729</b>  | <b>0</b>                        | <b>0</b>            | <b>\$ 4,872,953</b>   | <b>\$ 5,281,729</b>  |

Analysis of Change in Net Position for Combined Governmental and Business-Type Activities:

|   |                   |
|---|-------------------|
| Excess of Revenues Over Expenditures for Governmental Funds                         | \$ (1,223,239)    |
| Change in Net Position of the Internal Service Fund for Governmental Activities     | (21,892)          |
| Current Year Purchases of Capital Assets  | 2,359,888         |
| Current Year Debt Principal Payments  | 958,000           |
| Depreciation  | (1,174,720)       |
| Other Modified to Full Accrual Revenue Adjustments                                  | 82,841            |
| Net adjustment to pension expense per GASB 68                                       | (492,259)         |
| Net adjustments for OPEB plan required by GASB 75                                   | (79,843)          |
| <b>Change in Net Position of Combined Governmental and Business-Type Activities</b> | <b>\$ 408,776</b> |

**THE DISTRICT'S FUNDS**

A financial summary of the District’s funds for the current year is as follows:

| Governmental Fund Financial Statements |               |                       |                   |                       |                |
|--|---------------|-----------------------|-------------------|-----------------------|----------------|
|  | General Fund  | Special Revenue Funds | Debt Service Fund | Capital Projects Fund | Total          |
| Revenues                               | \$ 13,410,324 | \$ 2,554,933          | \$ 705,870        | \$ -                  | \$ 16,671,127  |
| Expenditures                           | (11,899,148)  | (2,542,369)           | (1,205,902)       | (2,079,000)           | (17,726,419)   |
| Other Financing Sources                | -             | 96,909                | 572,627           | -                     | 669,536        |
| Other Financing Uses                   | (748,342)     | (89,141)              | -                 | -                     | (837,483)      |
| Net Change in Fund Balance             | \$ 762,834    | \$ 20,332             | \$ 72,595         | \$ (2,079,000)        | \$ (1,223,239) |
| Beginning Fund Balance                 | 2,504,242     | 91,395                | 11,671            | 2,094,348             | 4,701,656      |
| <b>Ending Fund Balance</b>             |               |                       |                   |                       |                |
| <b>All Governmental Funds</b>          | \$ 3,267,076  | \$ 111,727            | \$ 84,266         | \$ 15,348             | \$ 3,478,417   |

The District modified its budget several times during the year resulting in a net decrease in budgeted expenditures between the original and final budget in the District’s General Fund. A detailed presentation of original and final budgeted amounts, and the actual results for the General Fund can be found in Exhibit G-1 of the financial statements.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the current fiscal year, the District had invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This year's major additions and the net change in total capital assets are as follows:

|                                |                     |
|--------------------------------|---------------------|
| Football/Track Facility        | \$ 1,972,525        |
| Elementary Playground          | 106,438             |
| Computer Lab IS & JH           | 50,035              |
| AC Units Admin & Elem          | 31,944              |
| Sky Jack 3226 Man Lift         | 3,750               |
| Floor Scrubbers                | 17,113              |
| 2 - 2021 Blue Bird 71 Pass Bus | 178,082             |
| <b>TOTAL</b>                   | <b>\$ 2,359,888</b> |
| Total Additions                | \$ 2,359,888        |
| Total Deletions                | -                   |
| <b>Net Change</b>              | <b>\$ 2,359,888</b> |

The District's next year’s budget provides appropriations of \$100,000 for capital outlay.

**Debt**

The District's long-term debt at the end of the current fiscal year is as follows:

|                                  | Interest Rate on Issue | Amounts Original Issue | Interest Current Year | Outstanding End of Current Fiscal Year | Next Year's Total Principal and Interest Requirement |
|----------------------------------|------------------------|------------------------|-----------------------|--|--|
| Series 2015 Tax Refunding Bonds  | 2.0-3.5%               | 5,390,000              | 142,525               | 3,875,000                              | 632,825  |
| Series 2017 Tax Maintenance Note | 2.39%                  | 2,201,000              | 46,725                | 1,825,000                              | 176,618  |
| Series 2017 Time Warrants        | 1.69%                  | 1,000,000              | 5,712                 | -                                      | -  |
| Series 2019 Tax Maintenance Note | 4.00%                  | 2,146,000              | 51,790                | 2,146,000                              | 180,932  |
| <b>Totals End of Year</b>        |                        | \$ 10,737,000          | \$ 246,752            | \$ 7,846,000                           | \$ 990,375   |

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

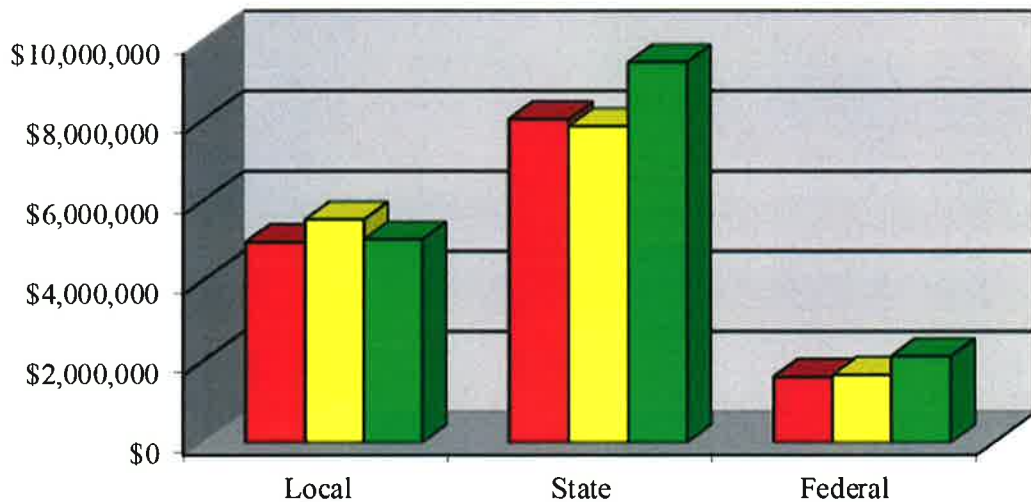
The District's elected and appointed officials considered many factors when setting the next fiscal year budget and tax rates. Property valuation changes along with expected student enrollment were implicit in the expected revenue and expenditures when adopting the budget for next year. A summary of the subsequent fiscal year budget for funds legally required to be budgeted is as follows:

| Fiscal Year 2020 - 2021 Adopted Budget |               |                      |                   |               |
|--|---------------|----------------------|-------------------|---------------|
|  | General Fund  | Child Nutrition Fund | Debt Service Fund | TOTALS        |
| Revenues                               | \$ 13,131,975 | \$ 708,597           | \$ 633,194        | \$ 14,473,766 |
| Expenditures                           | (12,607,975)  | (738,597)            | (634,826)         | (13,981,398)  |
| Other Financing Sources                | -             | 30,000               | 1,632             | 31,632        |
| Other Financing Uses                   | (524,000)     | -                    | -                 | (524,000)     |
| Net Change in Fund Balance             | \$ -          | \$ -                 | \$ -              | \$ -          |
| Beginning of Year Fund Balance         | 3,267,076     | -                    | 84,266            | 3,351,342     |
| Projected End of Year Fund Balance     | \$ 3,267,076  | \$ -                 | \$ 84,266         | \$ 3,351,342  |

The following graph indicates the District's revenues by source for the last three years.

| <b>REVENUES BY SOURCE</b> |                              |                              |                              |
|---------------------------|------------------------------|------------------------------|------------------------------|
|                           | <b>Fiscal Year 2017-2018</b> | <b>Fiscal Year 2018-2019</b> | <b>Fiscal Year 2019-2020</b> |
| <b>ADA</b>                | <b>1104.853</b>              | <b>1084.192</b>              | <b>980.936</b>               |
| <b>Local</b>              | <b>\$4,990,548</b>           | <b>\$5,557,685</b>           | <b>\$5,057,250</b>           |
| <b>State</b>              | <b>8,056,822</b>             | <b>7,873,537</b>             | <b>9,468,522</b>             |
| <b>Federal</b>            | <b>1,639,727</b>             | <b>1,682,471</b>             | <b>2,145,355</b>             |
| <b>Total</b>              | <b>\$14,687,097</b>          | <b>\$15,113,693</b>          | <b>\$16,671,127</b>          |

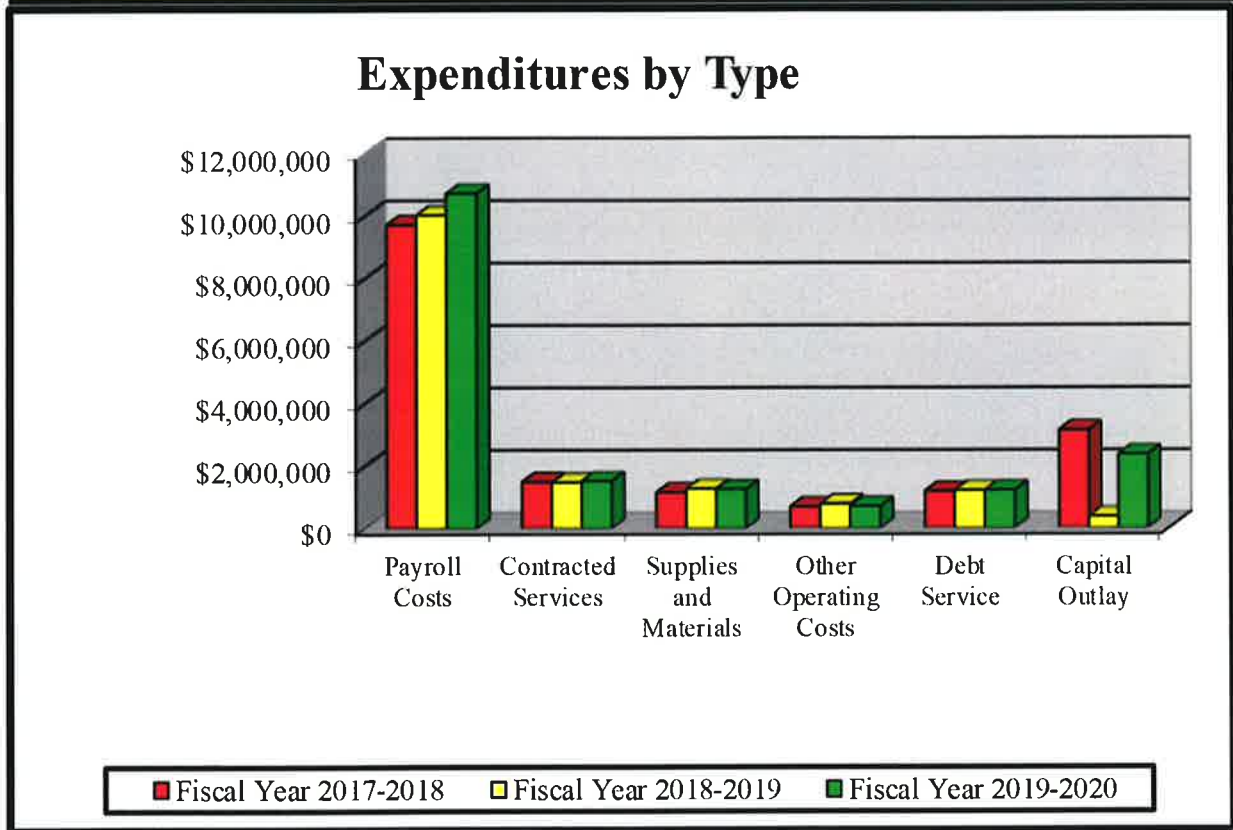
## Revenues by Source



■ Fiscal Year 2017-2018   
 ■ Fiscal Year 2018-2019   
 ■ Fiscal Year 2019-2020

The following graph indicates the District's expenditures by type for the last three years.

| <b>Expenditures By Type</b> |                              |                              |                              |
|-----------------------------|------------------------------|------------------------------|------------------------------|
|                             | <b>Fiscal Year 2017-2018</b> | <b>Fiscal Year 2018-2019</b> | <b>Fiscal Year 2019-2020</b> |
| <b>Total Staff</b>          | <b>206.76</b>                | <b>215.22</b>                | <b>200.00</b>                |
| Payroll Costs               | \$9,725,942                  | \$10,028,510                 | \$10,724,464                 |
| Contracted Services         | 1,484,616                    | \$1,460,513                  | 1,508,253                    |
| Supplies and Materials      | 1,146,213                    | \$1,258,071                  | 1,237,878                    |
| Other Operating Costs       | 678,726                      | \$769,262                    | 690,035                      |
| Debt Service                | 1,178,158                    | \$1,202,530                  | 1,205,901                    |
| Capital Outlay              | 3,144,175                    | \$354,190                    | 2,359,888                    |
| <b>Total</b>                | <b>\$17,357,831</b>          | <b>\$15,073,077</b>          | <b>\$17,726,419</b>          |



**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 **Dublin Independent School District, 420 N. Post Oak, Dublin, Texas 76446; 254-445-3341.**



**BASIC FINANCIAL STATEMENTS**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT A-1

| Data<br>Control<br>Codes                       | 1                          | 2<br>Primary Government        |                     | 3 |
|--|----------------------------|--------------------------------|---------------------|---|
|  | Governmental<br>Activities | Business<br>Type<br>Activities | Total               |   |
| <b>ASSETS</b>                                  |                            |                                |                     |   |
| 1110 Cash and Cash Equivalents                 | \$ 3,905,677               | \$ -                           | \$ 3,905,677        |   |
| 1220 Property Taxes - Delinquent               | 236,546                    | -                              | 236,546             |   |
| 1230 Allowance for Uncollectible Taxes         | (59,136)                   | -                              | (59,136)            |   |
| 1240 Due from Other Governments                | 1,448,059                  | -                              | 1,448,059           |   |
| 1290 Other Receivables, Net                    | 9,936                      | -                              | 9,936               |   |
| 1410 Prepayments                               | 13,600                     | -                              | 13,600              |   |
| Capital Assets:                                |                            |                                |                     |   |
| 1510 Land                                      | 250,760                    | -                              | 250,760             |   |
| 1520 Buildings, Net                            | 16,454,577                 | -                              | 16,454,577          |   |
| 1530 Furniture and Equipment, Net              | 1,821,468                  | -                              | 1,821,468           |   |
| 1000 Total Assets                              | <u>24,081,487</u>          | <u>-</u>                       | <u>24,081,487</u>   |   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                            |                                |                     |   |
| 1701 Deferred Charge for Refunding             | 240,549                    | -                              | 240,549             |   |
| 1705 Deferred Outflow Related to TRS Pension   | 1,736,206                  | -                              | 1,736,206           |   |
| 1706 Deferred Outflow Related to TRS OPEB      | 759,798                    | -                              | 759,798             |   |
| 1700 Total Deferred Outflows of Resources      | <u>2,736,553</u>           | <u>-</u>                       | <u>2,736,553</u>    |   |
| <b>LIABILITIES</b>                             |                            |                                |                     |   |
| 2110 Accounts Payable                          | 67,769                     | -                              | 67,769              |   |
| 2160 Accrued Wages Payable                     | 607,690                    | -                              | 607,690             |   |
| 2180 Due to Other Governments                  | 1,066,671                  | -                              | 1,066,671           |   |
| 2200 Accrued Expenses                          | 66,648                     | -                              | 66,648              |   |
| 2300 Unearned Revenue                          | 32,376                     | -                              | 32,376              |   |
| Noncurrent Liabilities:                        |                            |                                |                     |   |
| 2501 Due Within One Year                       | 1,056,280                  | -                              | 1,056,280           |   |
| 2502 Due in More Than One Year                 | 7,630,147                  | -                              | 7,630,147           |   |
| 2540 Net Pension Liability (District's Share)  | 3,549,523                  | -                              | 3,549,523           |   |
| 2545 Net OPEB Liability (District's Share)     | 4,744,428                  | -                              | 4,744,428           |   |
| 2000 Total Liabilities                         | <u>18,821,532</u>          | <u>-</u>                       | <u>18,821,532</u>   |   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                            |                                |                     |   |
| 2605 Deferred Inflow Related to TRS Pension    | 662,270                    | -                              | 662,270             |   |
| 2606 Deferred Inflow Related to TRS OPEB       | 2,052,509                  | -                              | 2,052,509           |   |
| 2600 Total Deferred Inflows of Resources       | <u>2,714,779</u>           | <u>-</u>                       | <u>2,714,779</u>    |   |
| <b>NET POSITION</b>                            |                            |                                |                     |   |
| 3200 Net Investment in Capital Assets          | 10,629,743                 | -                              | 10,629,743          |   |
| Restricted:                                    |                            |                                |                     |   |
| 3820 Restricted for Federal and State Programs | 111,727                    | -                              | 111,727             |   |
| 3850 Restricted for Debt Service               | 108,750                    | -                              | 108,750             |   |
| 3900 Unrestricted                              | (5,568,491)                | -                              | (5,568,491)         |   |
| 3000 Total Net Position                        | <u>\$ 5,281,729</u>        | <u>\$ -</u>                    | <u>\$ 5,281,729</u> |   |

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

| Data<br>Control<br>Codes                            | 1             | Program Revenues        |  |
|---|---------------|-------------------------|--|
|   |               | 3                       | 4  |
|   | Expenses      | Charges for<br>Services | Operating<br>Grants and<br>Contributions |
| <b>Primary Government:</b>                          |               |                         |  |
| <b>GOVERNMENTAL ACTIVITIES:</b>                     |               |                         |  |
| 11 Instruction                                      | \$ 9,004,453  | \$ 99,802               | \$ 2,259,303                             |
| 12 Instructional Resources and Media Services       | 102,666       | -                       | 10,260                                   |
| 13 Curriculum and Instructional Staff Development   | 271,639       | -                       | 25,200                                   |
| 21 Instructional Leadership                         | 156,691       | -                       | 20,814                                   |
| 23 School Leadership                                | 1,019,498     | 136,766                 | 91,871                                   |
| 31 Guidance, Counseling, and Evaluation Services    | 374,076       | 114,588                 | 48,590                                   |
| 33 Health Services                                  | 175,663       | -                       | 18,580                                   |
| 34 Student (Pupil) Transportation                   | 315,923       | -                       | 16,845                                   |
| 35 Food Services                                    | 826,427       | 76,881                  | 703,722                                  |
| 36 Extracurricular Activities                       | 980,789       | 35,372                  | 50,674                                   |
| 41 General Administration                           | 648,445       | -                       | 38,957                                   |
| 51 Facilities Maintenance and Operations            | 1,714,779     | 36,214                  | 75,401                                   |
| 52 Security and Monitoring Services                 | 207,091       | -                       | 7,153                                    |
| 53 Data Processing Services                         | 432,124       | -                       | 50,027                                   |
| 72 Debt Service - Interest on Long-Term Debt        | 203,314       | -                       | -  |
| 73 Debt Service - Bond Issuance Cost and Fees       | 1,150         | -                       | -  |
| 93 Payments Related to Shared Services Arrangements | 170,205       | -                       | -  |
| [TG] Total Governmental Activities:                 | 16,604,933    | 499,623                 | 3,417,397                                |
| <b>BUSINESS-TYPE ACTIVITIES:</b>                    |               |                         |  |
| 01 Learning Academy                                 | 250,527       | 82,580                  | -  |
| [TB] Total Business-Type Activities:                | 250,527       | 82,580                  | -  |
| [TP] TOTAL PRIMARY GOVERNMENT:                      | \$ 16,855,460 | \$ 582,203              | \$ 3,417,397                             |

|                          |  |
|--------------------------|--|
| Data<br>Control<br>Codes | General Revenues:                            |
|                          | Taxes:                                       |
| MT                       | Property Taxes, Levied for General Purposes  |
| DT                       | Property Taxes, Levied for Debt Service      |
| SF                       | State Aid - Formula Grants                   |
| IE                       | Investment Earnings                          |
| MI                       | Miscellaneous Local and Intermediate Revenue |
| FR                       | Transfers In (Out)                           |
| TR                       | Total General Revenues & Transfers           |
| CN                       | Change in Net Position                       |
| NB                       | Net Position - Beginning                     |
| NE                       | Net Position - Ending                        |

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

| Net (Expense) Revenue and<br>Changes in Net Position |                             |                     |
|--|-----------------------------|---------------------|
| 6  | 7                           | 8                   |
| Primary Government                                   |                             |                     |
| Governmental<br>Activities                           | Business-type<br>Activities | Total               |
| \$ (6,645,348)                                       | \$ -                        | \$ (6,645,348)      |
| (92,406)   | -                           | (92,406)            |
| (246,439)  | -                           | (246,439)           |
| (135,877)  | -                           | (135,877)           |
| (790,861)  | -                           | (790,861)           |
| (210,898)  | -                           | (210,898)           |
| (157,083)  | -                           | (157,083)           |
| (299,078)  | -                           | (299,078)           |
| (45,824)   | -                           | (45,824)            |
| (894,743)  | -                           | (894,743)           |
| (609,488)  | -                           | (609,488)           |
| (1,603,164)  | -                           | (1,603,164)         |
| (199,938)  | -                           | (199,938)           |
| (382,097)  | -                           | (382,097)           |
| (203,314)  | -                           | (203,314)           |
| (1,150)  | -                           | (1,150)             |
| (170,205)  | -                           | (170,205)           |
| <u>(12,687,913)</u>                                  | <u>-</u>                    | <u>(12,687,913)</u> |
| -  | (167,947)                   | (167,947)           |
| -  | (167,947)                   | (167,947)           |
| <u>(12,687,913)</u>                                  | <u>(167,947)</u>            | <u>(12,855,860)</u> |
| 3,916,424  | -                           | 3,916,424           |
| 593,993  | -                           | 593,993             |
| 8,711,049  | -                           | 8,711,049           |
| 28,389   | -                           | 28,389              |
| 14,781   | -                           | 14,781              |
| (167,947)  | 167,947                     | -                   |
| <u>13,096,689</u>                                    | <u>167,947</u>              | <u>13,264,636</u>   |
| 408,776  | -                           | 408,776             |
| 4,872,953  | -                           | 4,872,953           |
| <u>\$ 5,281,729</u>                                  | <u>\$ -</u>                 | <u>\$ 5,281,729</u> |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2020

| Data<br>Control<br>Codes                                 | 10<br>General<br>Fund | CARES Act<br>Stimulus<br>Grant | 60<br>Capital<br>Projects |
|--|-----------------------|--------------------------------|---------------------------|
| <b>ASSETS</b>  |                       |                                |                           |
| 1110 Cash and Cash Equivalents                           | \$ 3,455,520          | \$ -                           | \$ 15,348                 |
| 1220 Property Taxes - Delinquent                         | 205,653               | -                              | -                         |
| 1230 Allowance for Uncollectible Taxes                   | (51,413)              | -                              | -                         |
| 1240 Due from Other Governments                          | 1,073,022             | 255,940                        | -                         |
| 1260 Due from Other Funds                                | 350,592               | -                              | -                         |
| 1290 Other Receivables                                   | 8,879                 | -                              | -                         |
| 1410 Prepayments   | 13,600                | -                              | -                         |
| 1000 Total Assets  | <u>\$ 5,055,853</u>   | <u>\$ 255,940</u>              | <u>\$ 15,348</u>          |
| <b>LIABILITIES</b>                                       |                       |                                |                           |
| 2110 Accounts Payable                                    | \$ 59,972             | \$ -                           | \$ -                      |
| 2160 Accrued Wages Payable                               | 497,141               | -                              | -                         |
| 2170 Due to Other Funds                                  | -                     | 255,940                        | -                         |
| 2180 Due to Other Governments                            | 1,066,671             | -                              | -                         |
| 2200 Accrued Expenditures                                | 10,753                | -                              | -                         |
| 2300 Unearned Revenue                                    | -                     | -                              | -                         |
| 2000 Total Liabilities                                   | <u>1,634,537</u>      | <u>255,940</u>                 | <u>-</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                       |                                |                           |
| 2601 Unavailable Revenue - Property Taxes                | 154,240               | -                              | -                         |
| 2600 Total Deferred Inflows of Resources                 | <u>154,240</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                        | -                     | -                              | -                         |
| Committed Fund Balance:                                  |                       |                                |                           |
| 3510 Construction  | 500,000               | -                              | 15,348                    |
| 3530 Capital Expenditures for Equipment                  | 500,000               | -                              | -                         |
| 3545 Other Committed Fund Balance                        | 500,000               | -                              | -                         |
| 3600 Unassigned Fund Balance                             | 1,767,076             | -                              | -                         |
| 3000 Total Fund Balances                                 | <u>3,267,076</u>      | <u>-</u>                       | <u>15,348</u>             |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 5,055,853</u>   | <u>\$ 255,940</u>              | <u>\$ 15,348</u>          |

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

| Other<br>Funds    | Total<br>Governmental<br>Funds |
|-------------------|--------------------------------|
| \$ 329,077        | \$ 3,799,945                   |
| 30,893            | 236,546                        |
| (7,723)           | (59,136)                       |
| 119,097           | 1,448,059                      |
| -                 | 350,592                        |
| 1,057             | 9,936                          |
| -                 | 13,600                         |
| <u>\$ 472,401</u> | <u>\$ 5,799,542</u>            |
| <br>              |                                |
| \$ 5,837          | \$ 65,809                      |
| 110,549           | 607,690                        |
| 94,652            | 350,592                        |
| -                 | 1,066,671                      |
| 9,824             | 20,577                         |
| 32,376            | 32,376                         |
| <u>253,238</u>    | <u>2,143,715</u>               |
| <br>              |                                |
| 23,170            | 177,410                        |
| <u>23,170</u>     | <u>177,410</u>                 |
| <br>              |                                |
| 111,727           | 111,727                        |
| 84,266            | 84,266                         |
| -                 | 515,348                        |
| -                 | 500,000                        |
| -                 | 500,000                        |
| -                 | 1,767,076                      |
| <u>195,993</u>    | <u>3,478,417</u>               |
| <br>              |                                |
| <u>\$ 472,401</u> | <u>\$ 5,799,542</u>            |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 AUGUST 31, 2020

EXHIBIT C-2

|   |           |                  |
|---|-----------|------------------|
| <b>Total Fund Balances - Governmental Funds</b>   | \$        | 3,478,417        |
| 1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance for workers compensation insurance, 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.  |           | 57,701           |
| 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 less the accumulated depreciation increases net assets. 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 increase net position. |           | 7,850,878        |
| 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 current fiscal year capital outlays and debt principal payments is to decrease net position.  |           | 3,317,888        |
| 4 Recognition of the GASB 68 reporting requirements for the District's pension plan through TRS requires that additional items be reported in the government-wide statements. The District's share of the TRS pension plan resulted in a net pension liability, a deferred outflow related to the TRS pension, and a deferred inflow related to the TRS pension. This resulted in a reduction of reported ending net position.  |           | (2,475,587)      |
| 5 Recognition of the GASB 75 reporting requirements for the District's OPEB plan through TRS-Care requires that additional items be reported in the government-wide statements. The District's share of the TRS-Care plan resulted in a net OPEB liability, a deferred outflow related to TRS OPEB, and a deferred inflow related to TRS OPEB. This resulted in a reduction of reported ending net position.  |           | (6,037,139)      |
| 6 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.  |           | (1,174,720)      |
| 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.   |           | 264,291          |
| <b>19 Net Position of Governmental Activities</b>   | <b>\$</b> | <b>5,281,729</b> |

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

| Data<br>Control<br>Codes                                       | 10<br>General<br>Fund | CARES Act<br>Stimulus<br>Grant | 60<br>Capital<br>Projects |
|--|-----------------------|--------------------------------|---------------------------|
| REVENUES:  |                       |                                |                           |
| 5700 Total Local and Intermediate Sources                      | \$ 4,013,876          | \$ -                           | \$ -                      |
| 5800 State Program Revenues                                    | 9,260,718             | -                              | -                         |
| 5900 Federal Program Revenues                                  | 135,730               | 324,898                        | -                         |
| 5020 Total Revenues  | <u>13,410,324</u>     | <u>324,898</u>                 | <u>-</u>                  |
| EXPENDITURES:  |                       |                                |                           |
| Current:   |                       |                                |                           |
| 0011 Instruction   | 6,045,294             | 324,898                        | -                         |
| 0012 Instructional Resources and Media Services                | 94,664                | -                              | -                         |
| 0013 Curriculum and Instructional Staff Development            | 245,678               | -                              | -                         |
| 0021 Instructional Leadership                                  | 11,685                | -                              | -                         |
| 0023 School Leadership   | 927,205               | -                              | -                         |
| 0031 Guidance, Counseling, and Evaluation Services             | 227,601               | -                              | -                         |
| 0033 Health Services   | 162,392               | -                              | -                         |
| 0034 Student (Pupil) Transportation                            | 399,302               | -                              | -                         |
| 0035 Food Services   | 26,627                | -                              | -                         |
| 0036 Extracurricular Activities                                | 782,518               | -                              | -                         |
| 0041 General Administration                                    | 597,385               | -                              | -                         |
| 0051 Facilities Maintenance and Operations                     | 1,633,612             | -                              | -                         |
| 0052 Security and Monitoring Services                          | 199,334               | -                              | -                         |
| 0053 Data Processing Services                                  | 375,646               | -                              | -                         |
| Debt Service:  |                       |                                |                           |
| 0071 Principal on Long-Term Debt                               | -                     | -                              | -                         |
| 0072 Interest on Long-Term Debt                                | -                     | -                              | -                         |
| 0073 Bond Issuance Cost and Fees                               | -                     | -                              | -                         |
| Capital Outlay:  |                       |                                |                           |
| 0081 Facilities Acquisition and Construction                   | -                     | -                              | 2,079,000                 |
| Intergovernmental:   |                       |                                |                           |
| 0093 Payments to Fiscal Agent/Member Districts of SSA          | 170,205               | -                              | -                         |
| 6030 Total Expenditures  | <u>11,899,148</u>     | <u>324,898</u>                 | <u>2,079,000</u>          |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,511,176</u>      | <u>-</u>                       | <u>(2,079,000)</u>        |
| OTHER FINANCING SOURCES (USES):                                |                       |                                |                           |
| 7915 Transfers In  | -                     | -                              | -                         |
| 8911 Transfers Out (Use)                                       | (748,342)             | -                              | -                         |
| 7080 Total Other Financing Sources (Uses)                      | <u>(748,342)</u>      | <u>-</u>                       | <u>-</u>                  |
| 1200 Net Change in Fund Balances                               | 762,834               | -                              | (2,079,000)               |
| 0100 Fund Balance - September 1 (Beginning)                    | <u>2,504,242</u>      | <u>-</u>                       | <u>2,094,348</u>          |
| 3000 Fund Balance - August 31 (Ending)                         | <u>\$ 3,267,076</u>   | <u>\$ -</u>                    | <u>\$ 15,348</u>          |

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



|    | Other<br>Funds | Total<br>Governmental<br>Funds |
|----|----------------|--------------------------------|
| \$ | 1,043,374      | \$ 5,057,250                   |
|    | 207,804        | 9,468,522                      |
|    | 1,684,727      | 2,145,355                      |
|    | 2,935,905      | 16,671,127                     |
|    | 1,195,296      | 7,565,488                      |
|    | -              | 94,664                         |
|    | 3,610          | 249,288                        |
|    | 128,629        | 140,314                        |
|    | -              | 927,205                        |
|    | 114,943        | 342,544                        |
|    | -              | 162,392                        |
|    | -              | 399,302                        |
|    | 740,943        | 767,570                        |
|    | -              | 782,518                        |
|    | 17,000         | 614,385                        |
|    | 17,050         | 1,650,662                      |
|    | -              | 199,334                        |
|    | -              | 375,646                        |
|    | 958,000        | 958,000                        |
|    | 246,752        | 246,752                        |
|    | 1,150          | 1,150                          |
|    | -              | 2,079,000                      |
|    | -              | 170,205                        |
|    | 3,423,373      | 17,726,419                     |
|    | (487,468)      | (1,055,292)                    |
|    | 669,536        | 669,536                        |
|    | (89,141)       | (837,483)                      |
|    | 580,395        | (167,947)                      |
|    | 92,927         | (1,223,239)                    |
|    | 103,066        | 4,701,656                      |
| \$ | 195,993        | \$ 3,478,417                   |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT C-4

|  |                              |
|--|------------------------------|
| <b>Total Net Change in Fund Balances - Governmental Funds</b>  | \$ (1,223,239)               |
| The District uses internal service funds to charge the costs of certain activities, such as self-insurance for workers compensation insurance, 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 the change in net position.   | (21,892)                     |
| 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 current year capital outlays and debt principal payments is to increase the change in net position.   | 3,317,888                    |
| 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 the change in net position.  | (1,174,720)                  |
| 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 the change net position.   | 82,841                       |
| Current year changes due to GASB 68 increased revenues, but also increased expenditures. The net effect on the change in the ending net position was a decrease in the change in net position.   | (492,259)                    |
| GASB 75 requires that certain OPEB 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. 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 the change in net position. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position. The net result is an increase in the change in net position. | (79,843)                     |
| <br><b>Change in Net Position of Governmental Activities</b>   | <br><u><u>\$ 408,776</u></u> |

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2020

EXHIBIT D-1

|                           | Business-Type<br>Activities - | Governmental<br>Activities - |
|---------------------------|-------------------------------|------------------------------|
|                           | Total<br>Enterprise<br>Funds  | Internal<br>Service Fund     |
| <b>ASSETS</b>             |                               |                              |
| Current Assets:           |                               |                              |
| Cash and Cash Equivalents | \$ -                          | \$ 105,732                   |
| Total Assets              | -                             | 105,732                      |
| <b>LIABILITIES</b>        |                               |                              |
| Current Liabilities:      |                               |                              |
| Accounts Payable          | -                             | 1,960                        |
| Accrued Expenses          | -                             | 46,071                       |
| Total Liabilities         | -                             | 48,031                       |
| <b>NET POSITION</b>       |                               |                              |
| Unrestricted Net Position | -                             | 57,701                       |
| Total Net Position        | \$ -                          | \$ 57,701                    |

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

|  | Business-Type<br>Activities - | Governmental<br>Activities - |
|--|-------------------------------|------------------------------|
|  | Total<br>Enterprise<br>Funds  | Internal<br>Service Fund     |
| <b>OPERATING REVENUES:</b>                     |                               |                              |
| Local and Intermediate Sources                 | \$ 78,588                     | \$ 57,786                    |
| State Program Revenues                         | 3,992                         | -                            |
| Total Operating Revenues                       | <u>82,580</u>                 | <u>57,786</u>                |
| <b>OPERATING EXPENSES:</b>                     |                               |                              |
| Payroll Costs                                  | 228,632                       | -                            |
| Professional and Contracted Services           | -                             | 15,985                       |
| Supplies and Materials                         | 21,366                        | -                            |
| Other Operating Costs                          | 529                           | 64,197                       |
| Total Operating Expenses                       | <u>250,527</u>                | <u>80,182</u>                |
| Operating Income (Loss)                        | <u>(167,947)</u>              | <u>(22,396)</u>              |
| <b>NONOPERATING REVENUES (EXPENSES):</b>       |                               |                              |
| Earnings from Temporary Deposits & Investments | -                             | 504                          |
| Total Nonoperating Revenues (Expenses)         | <u>-</u>                      | <u>504</u>                   |
| Income (Loss) Before Transfers                 | (167,947)                     | (21,892)                     |
| Transfer In                                    | 167,947                       | -                            |
| Change in Net Position                         | -                             | (21,892)                     |
| Total Net Position - September 1 (Beginning)   | <u>-</u>                      | <u>79,593</u>                |
| Total Net Position - August 31 (Ending)        | <u>\$ -</u>                   | <u>\$ 57,701</u>             |

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT D-3

|  | Business-Type<br>Activities  | Governmental<br>Activities - |
|--|------------------------------|------------------------------|
|  | Total<br>Enterprise<br>Funds | Internal<br>Service Fund     |
| <u>Cash Flows from Operating Activities:</u>                         |                              |                              |
| Cash Received from User Charges                                      | \$ 82,580                    | \$ -                         |
| Cash Received from Assessments - Other Funds                         | -                            | 57,786                       |
| Cash Payments to Employees for Services                              | (228,633)                    | -                            |
| Cash Payments for Insurance Claims                                   | -                            | (35,521)                     |
| Cash Payments for Suppliers  | (26,800)                     | -                            |
| Cash Payments for Other Operating Expenses                           | (529)                        | (23,894)                     |
| Net Cash Used for Operating Activities                               | <u>(173,382)</u>             | <u>(1,629)</u>               |
| <u>Cash Flows from Capital &amp; Related Financing Activities:</u>   |                              |                              |
| Capital Contributed by Other Funds                                   | 167,947                      | -                            |
| <u>Cash Flows from Investing Activities:</u>                         |                              |                              |
| Interest and Dividends on Investments                                | -                            | 504                          |
| Net Decrease in Cash and Cash Equivalents                            | (5,435)                      | (1,125)                      |
| Cash and Cash Equivalents at Beginning of Year                       | 5,435                        | 106,857                      |
| Cash and Cash Equivalents at End of Year                             | <u>\$ -</u>                  | <u>\$ 105,732</u>            |
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u>         |                              |                              |
| <u>Used for Operating Activities:</u>                                |                              |                              |
| Operating Income (Loss):   | \$ (167,947)                 | \$ (22,396)                  |
| Effect of Increases and Decreases in Current Assets and Liabilities: |                              |                              |
| Increase (decrease) in Accounts Payable                              | (5,435)                      | 1,849                        |
| Increase (decrease) in Accrued Claims Liability                      | -                            | 18,918                       |
| Net Cash Used for Operating Activities                               | <u>\$ (173,382)</u>          | <u>\$ (1,629)</u>            |
| <u>Reconciliation of Total Cash and Cash Equivalents:</u>            |                              |                              |
| Cash and Cash Equivalents on Balance Sheet                           | \$ -                         | \$ 105,732                   |
| Pooled Cash and Cash Equivalents on Balance Sheet                    | -                            | -                            |
| Total Cash and Cash Equivalents                                      | <u>\$ -</u>                  | <u>\$ 105,732</u>            |

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2020

|                               | Custodial<br>Fund |
|-------------------------------|-------------------|
| <b>ASSETS</b>                 |                   |
| Cash and Cash Equivalents     | \$ 92,088         |
| Total Assets                  | <u>92,088</u>     |
| <b>NET POSITION</b>           |                   |
| Restricted for Other Purposes | 92,088            |
| Total Net Position            | <u>\$ 92,088</u>  |

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

|  | Custodial<br>Fund |
|--|-------------------|
| <b>ADDITIONS:</b>                            |                   |
| Student Activity Revenues                    | \$ 145,683        |
| Total Additions                              | <u>145,683</u>    |
| <b>DEDUCTIONS:</b>                           |                   |
| Student Activity Deductions                  | <u>152,180</u>    |
| Total Deductions                             | <u>152,180</u>    |
| Change in Fiduciary Net Position             | (6,497)           |
| Total Net Position - September 1 (Beginning) | -                 |
| Prior Period Adjustment                      | <u>98,585</u>     |
| Total Net Position - August 31 (Ending)      | <u>\$ 92,088</u>  |

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

**DUBLIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2020**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Dublin Independent School District (the "District")** is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District also complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. For financial reporting purposes, the accompanying financial statements include the operations over which the District is financially accountable. The District applies current GASB criteria to potential component units and other related entities in evaluating the potential inclusion in the reporting entity. The criteria for inclusion in the reporting entity involves whether the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the District such that exclusion of such information would cause the District's financial statements to be incomplete. For the current fiscal year, the reporting entity of the District does not include any component units.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on the **Dublin Independent School District** non-fiduciary activities with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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



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

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

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

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

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

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

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

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

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

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

#### **D. FUND ACCOUNTING**

The District reports the following major governmental funds:

- General Fund** – The general fund is the District's primary operating fund. This fund accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Fund** – The CARES Act Stimulus Grant special revenue fund was a major fund for the current fiscal year
- Capital Projects Fund** – The District did maintain a major capital projects governmental fund during the current year.

The District does not maintain or report any major enterprise funds at present.

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

##### **Governmental Funds:**

- Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- 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 when applicable.
- Capital Projects Funds** – 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 when applicable.

##### **Proprietary Funds:**

- Enterprise Funds** – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund when applicable.

**Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis (such as workers’ compensation) are accounted for in an internal service fund when applicable.

**Fiduciary Funds:**

**Private Purpose Trust Funds** – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. When applicable, the District maintains a private purpose trust fund to provide scholarships for students that have graduated from the District.

**Custodial Funds** – The District accounts for resources held for others in a custodial capacity in custodial funds including funds used to account for student activities.

Transactions between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to / from other funds”. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in any business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in / out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased.
2. The District reports inventories of supplies using the first-in, first-out inventory cost method. The supplies include consumable maintenance, instructional, office, athletic, and transportation items. Under the purchase method, supplies are recorded as expenditures when they are purchased. Inventories of food commodities are recorded at market values supplied by the Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Department of Agriculture and recorded as revenue and expenditures when received. No material inventories including food commodities were recorded as an asset and a corresponding expenditure reduction at year-end.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year the long-term obligation is issued.

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

4. It is the District's policy to permit some employees to accumulate earned but unused leave benefits. There is a liability reported for unpaid accumulated personal leave based on the provisions of a leave "reimbursement on retirement" plan adopted during the current fiscal year. The policy pays amounts when employees separate from service with the District if certain longevity provisions are met. All personal leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A current liability in the governmental fund financial statements for these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements.
5. Capital assets, which include land, buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

| ASSETS                | YEARS |
|-----------------------|-------|
| Buildings             | 40    |
| Building Improvements | 30    |
| Vehicles              | 10    |
| Office Equipment      | 10    |
| Computer Equipment    | 10    |

6. Since Internal Service Funds in the District support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
7. Restricted assets, if applicable, of the District are limited to cash and certificates of deposit which have been gifted to the District with the stipulation that only the earnings are available for current and future scholarship recipients.
8. The District participates in a self-funded workers' compensation program that executes an inter-local agreement that defines the responsibilities of the parties. The program provides statutory workers' compensation benefits to its members and their injured employees.

9. **Net Position and Fund Balances:**

**Government-wide and Proprietary Fund Net Position:**

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

**Governmental Fund Balances:**

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District's state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Trustees' ordinance.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Trustees.
- Unassigned—All amounts not included in other spendable classifications.

10. Use of Restricted Resources:

When an expenditure/expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expenditure/expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

11. The District applies the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Market 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.
12. Investment income reported in one fund has not been assigned directly to another fund by the District.
13. The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.
14. Deferred Outflows of Resources: The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred outflows of resources related to pension and other post-employment benefits reporting is presented in the government wide statements.

15. **Deferred Inflow of Resources:** The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The District will not recognize the related revenues until a future event occurs. The District has deferred inflows of resources which occur because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, both deferred property taxes and grants are reported in the governmental funds balance sheet. A deferred inflow related to pension and other post-employment benefits reporting is also presented in the government wide statements.
16. **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.
17. **Other Post-Employment Benefits:** The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resource measurement focus and full accrual basis of accounting. This includes for purposes of measuring the new OPEB liability, deferred outflows of resources and deferred inflows or 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.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

| <b>Capital Assets - Beginning of Year</b>                      | <b>Historical<br/>Cost</b> | <b>Accumulated<br/>Depreciation</b> | <b>Net Book<br/>Value</b> | <b>Change in<br/>Net Position</b> |
|--|----------------------------|-------------------------------------|---------------------------|-----------------------------------|
| Land   | \$ 250,760                 | \$ -                                | \$ 250,760                |                                   |
| Buildings and Improvements                                     | 36,937,748                 | (21,749,807)                        | 15,187,941                |                                   |
| Furniture and Equipment  | 5,324,653                  | (3,421,717)                         | 1,902,936                 |                                   |
| <b>Change in Net Position</b>                                  | <b>\$ 42,513,161</b>       | <b>\$ (25,171,524)</b>              |                           | <b>\$ 17,341,637</b>              |
|  |                            |                                     | <b>Net Book<br/>Value</b> |                                   |
| <b>Other Assets - Beginning of Year</b>                        |                            |                                     |                           |                                   |
| Deferred Charge on Refunding                                   |                            |                                     | \$ 274,913                |                                   |
| <b>Change in Net Position</b>                                  |                            |                                     |                           | <b>274,913</b>                    |
|  |                            |                                     | <b>Amount<br/>Payable</b> |                                   |
| <b>Less: Long-Term Liabilities - Beginning of Year</b>         |                            |                                     |                           |                                   |
| Bonds Payable  |                            |                                     | \$ 8,804,000              |                                   |
| Add Unamortized Bond Premium / Discount                        |                            |                                     | 368,099                   |                                   |
| Compensated Absences Payable                                   |                            |                                     | 582,607                   |                                   |
| Accrued / Accreted Interest - Bonds, Notes, and Capital Leases |                            |                                     | 10,966                    |                                   |
| <b>Change in Net Position</b>                                  |                            |                                     |                           | <b>9,765,672</b>                  |
| <b>Net Adjustment to Net Position</b>                          |                            |                                     |                           | <b>\$ 7,850,878</b>               |

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

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position shown in Exhibit C-2 and Exhibit C-4. The details of this adjustment are as follows:

|   | Amount              | Adjustments<br>To Changes<br>in Net<br>Position | Adjustments<br>to Net<br>Position |
|---|---------------------|---|-----------------------------------|
| <b>Current Year Capital Outlay</b>      |                     |   |                                   |
| Buildings & Improvements                | \$ 2,078,964        |   |                                   |
| Furniture & Equipment                   | 280,924             |   |                                   |
| <b>Total Capital Outlay</b>             | <b>\$ 2,359,888</b> | <b>\$ 2,359,888</b>                             | <b>\$ 2,359,888</b>               |
| <b>Debt Principal Payments</b>          |                     |   |                                   |
| Bond Principal                          | \$ 958,000          |   |                                   |
| <b>Total Principal Payments</b>         | <b>\$ 958,000</b>   | <b>958,000</b>                                  | <b>958,000</b>                    |
| <b>Total Adjustment to Net Position</b> |                     | <b>\$ 3,317,888</b>                             | <b>\$ 3,317,888</b>               |

Another element of the reconciliation on Exhibits C-2 and C-4 are described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details of this adjustment are as follows:

|   | Amount     | Adjustments<br>to Change in<br>Net Position | Adjustments<br>to Net Position |
|---|------------|---|--------------------------------|
| <b>Adjustments to Revenue, Unearned Revenue, Beginning Net Position:</b>                                    |            |   |                                |
| Begin year unearned property tax revenue  | \$ 181,450 | \$ -  | \$ 181,450                     |
| Property tax adjustments to convert from the modified accrual basis to the full accrual basis of accounting | (4,040)    | (4,040)                                     | (4,040)                        |
| Other Revenue/Expense Adjustments   | 150,390    | 150,390                                     | 150,390                        |
| <b>Reclassify Certain Expenditures to Full Accrual From Modified Accrual:</b>                               |            |   |                                |
| Current Portion of Unused/Unpaid Compensated Absences   | (106,947)  | (106,947)                                   | (106,947)                      |
| Adjust Interest Expense on Long-term Debt   | 1,314      | 1,314                                       | 1,314                          |
| Current Year Amortization of Bond Premiums  | 76,488     | 76,488                                      | 76,488                         |
| Amortization of Deferred Charge on Refunding  | (34,364)   | (34,364)                                    | (34,364)                       |
| <b>Totals</b>   |            | <b>\$ 82,841</b>                            | <b>\$ 264,291</b>              |



**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. 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 the J Exhibits as reported in the required TEA Exhibits.

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

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

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.

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. Significant amendments were made for function 81 capital expenditures.

Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as adopted and amended by the Board of Trustees. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

|   | <b>End of Year<br/>Fund Balance</b> |
|---|-------------------------------------|
| Appropriated Budget Funds - Food Service Special Revenue Fund | \$ -                                |
| Non-appropriated Budget Funds                                 | 91,395                              |
| <b>All Special Revenue Funds</b>                              | <b>\$ 91,395</b>                    |

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Budget accountability and compliance is disclosed in Section C of the Notes to Required Supplementary Information.

**C. DEFICIT FUND EQUITY**

The District did not incur a deficit fund balance in any fund during the current fiscal year.

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

The carrying amount of the District's cash and temporary investments at the end of the fiscal year follows:

| <b>Cash and Cash Equivalents by Type</b>               | <b>End of Fiscal Year</b> |
|--|---------------------------|
| Cash Deposits in Bank                                  | \$ 3,997,765              |
| Certificates of Deposit (Maturity 3 months or less)    | -                         |
| <b>Total Cash and Cash Equivalents by Account Type</b> | <b>\$ 3,997,765</b>       |
| <b>Cash and Cash Equivalents by Fund:</b>              | <b>End of Fiscal Year</b> |
| Cash and Cash Equivalents:                             |                           |
| General Fund   | \$ 3,455,520              |
| Major Capital Projects Fund                            | 15,348                    |
| Non-Major Governmental Funds                           | 329,077                   |
| Cash and Investments - Enterprise                      |                           |
| Enterprise Funds                                       | -                         |
| Internal Service Funds                                 | 105,732                   |
| Custodial Funds  | 92,088                    |
| <b>Total Cash and Cash Equivalents by Fund</b>         | <b>\$ 3,997,765</b>       |

**District Policies and Legal and Contractual Provisions Governing Deposits**

**Custodial Credit Risk for Deposits:** State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The District's cash deposits subject to custodial credit risk at the date of the highest cash balance and at year end were:

| <b>Custodial Credit Risk</b>   | <b>Highest Cash Balance</b> | <b>End of Fiscal Year</b> |
|--|-----------------------------|---------------------------|
| <b>Name of Depository Bank:</b> First National Bank of Dublin  |                             |                           |
| <b><u>Funds Protection:</u></b>  |                             |                           |
| Applicable amount of FDIC Insurance (FDIC)   | \$ 250,000                  | \$ 333,958                |
| Letters of Credit  | 7,500,000                   | 7,500,000                 |
| <b>Total FDIC, Securities Pledged, and Letters of Credit</b>   | <b>\$ 7,750,000</b>         | <b>\$ 7,833,958</b>       |
| Cash Deposits and Cash Investments in Bank   | \$ 6,576,764                | \$ 4,328,695              |
| <b>Excess (Shortage) of Funds Protection over Deposits</b>   | <b>\$ 1,173,236</b>         | <b>\$ 3,505,263</b>       |
| The District's cash deposits were entirely covered by FDIC insurance, letters of credit, or other pledged securities by the Depository | <b>YES</b>                  | <b>YES</b>                |

Foreign Currency Risk: The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency.

## **Investments**

### **District Policies and Legal and Contractual Provisions Governing Investments**

#### **Compliance with the Public Funds Investment Act**

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

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

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

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, and mutual bond funds to the top 2 or 3 ratings issued by nationally recognized statistical rating organizations (NRSROs). As of the current fiscal year, the district's investments were rated by Standard & Poor's, Fitch Ratings, etc.

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

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer to 20% when they would cause investment

risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government.

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

Foreign Currency Risk for Investments: The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding all investments denominated in a foreign currency.

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

As of the end of the current fiscal year, the District had the following investments:

| Investments   | End of Fiscal<br>Year Value | Fair Value Measurements Using   |   |  | Percent of<br>Total<br>Investments | Weighted<br>Average<br>Maturity<br>(Days) | Credit Risk |
|---|-----------------------------|---|---|--|------------------------------------|---|-------------|
|   |                             | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |                                    |   |             |
| Investments measured at amortized cost -<br>Investment pools: |                             |   |   |  |                                    |   |             |
| None  | \$ -                        | \$ -  | \$ -  | \$ -   | 0.00%                              | -   | AAAm*       |
| Investments measured by fair value level -                    |                             |   |   |  |                                    |   |             |
| None  | -                           | -   | -   | -  | 0.00%                              | -   | 3BB+ to AA- |
| <b>Total Investments</b>                                      | <b>\$ -</b>                 | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>  | <b>0.00%</b>                       |   |             |

## B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

### C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

### D. INTERFUND BALANCES AND TRANSFERS

The District had the following interfund balances for the current year:

| FUND  | Due From<br>Other Funds  | Due To<br>Other Funds    |
|---|--------------------------|--------------------------|
| <b>General Fund</b>                           |                          |                          |
| Major Governmental Funds                      | \$ 255,940               | \$ -                     |
| Non-major Governmental Funds                  | 94,652                   | -                        |
| Total General Fund                            | <u>\$ 350,592</u>        | <u>\$ -</u>              |
| <b>Major Governmental Funds</b>               |                          |                          |
| General Fund                                  | \$ -                     | \$ 255,940               |
| Other Major Governmental Funds                | -                        | -                        |
| Total Non-major Governmental Funds            | <u>\$ -</u>              | <u>\$ 255,940</u>        |
| <b>Non-major Governmental Funds</b>           |                          |                          |
| General Fund                                  | \$ -                     | \$ 94,652                |
| Other Major Governmental Funds                | -                        | -                        |
| Total Non-major Governmental Funds            | <u>\$ -</u>              | <u>\$ 94,652</u>         |
| <b>Total Interfund Receivables / Payables</b> | <u><b>\$ 350,592</b></u> | <u><b>\$ 350,592</b></u> |

The purpose of the interfund receivables and payables are as follows:

- Both the \$94,652 and \$255,940 receivable / payable between the General Fund and major and non-major governmental funds represent short-term advances of funds pending grant cost reimbursements to be received from other governmental agencies. These advances resulted as a function of pooled cash accounts for governmental funds.

Inter-fund transfers for the current year consisted of the following individual amounts:

| FUND                                | Transfers In             | Transfers Out            |
|-------------------------------------|--------------------------|--------------------------|
| <b>General Fund</b>                 |                          |                          |
| Non-major Governmental Funds        | \$ -                     | \$ 669,536               |
| All Others                          | -                        | 78,806                   |
| Total General Fund                  | <u>\$ -</u>              | <u>\$ 748,342</u>        |
| <b>Major Governmental Funds</b>     |                          |                          |
| General Fund                        | \$ -                     | \$ -                     |
| Total Major Governmental Funds      | <u>\$ -</u>              | <u>\$ -</u>              |
| <b>Non-major Governmental Funds</b> |                          |                          |
| General Fund                        | \$ 669,536               | \$ 89,141                |
| Total Non-major Governmental Funds  | <u>\$ 669,536</u>        | <u>\$ 89,141</u>         |
| <b>All Other Funds</b>              |                          |                          |
| General Fund                        | \$ 167,947               | \$ -                     |
| Total All Other Funds               | <u>\$ 167,947</u>        | <u>\$ -</u>              |
| <b>Total Interfund Transfers</b>    | <u><b>\$ 837,483</b></u> | <u><b>\$ 837,483</b></u> |

A transfer of \$572,627 was made to the Debt Service Fund to provide additional funds for debt service requirements. Transfers totaling \$96,909 were made to the Food Service Fund for operating costs throughout the year. \$167,947 was transferred to the Learning Academy enterprise fund for operating costs.

**E. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

**Receivables at year end were as follows:**

|   | <b>Property<br/>Taxes</b> | <b>Other<br/>Governments</b> | <b>Due From<br/>Other Funds</b> | <b>Other</b>    | <b>Total<br/>Receivables</b> |
|---|---------------------------|------------------------------|---------------------------------|-----------------|------------------------------|
| <b>Governmental Activities:</b>                             |                           |                              |                                 |                 |                              |
| General Fund  | \$ 205,653                | \$ 1,073,022                 | \$ 350,592                      | \$ 8,879        | \$ 1,638,146                 |
| Other Major Governmental Funds                              | -                         | 255,940                      | -                               | -               | 255,940                      |
| Non-major Governmental Funds                                | 30,893                    | 119,097                      | -                               | 1,057           | 151,047                      |
| Internal Service Funds                                      | -                         | -                            | -                               | -               | -                            |
| <b>Total Governmental Activities</b>                        | <b>\$ 236,546</b>         | <b>\$ 1,448,059</b>          | <b>\$ 350,592</b>               | <b>\$ 9,936</b> | <b>2,045,133</b>             |
| Amounts not scheduled for collection during subsequent year | \$ -                      | \$ -                         | \$ -                            | \$ -            | \$ -                         |
| <b>Business-type Activities:</b>                            |                           |                              |                                 |                 |                              |
| Major Enterprise Funds                                      | \$ -                      | \$ -                         | \$ -                            | \$ -            | \$ -                         |
| Non-major Enterprise Funds                                  | -                         | -                            | -                               | -               | -                            |
| <b>Total Business-type Activities</b>                       | <b>\$ -</b>               | <b>\$ -</b>                  | <b>\$ -</b>                     | <b>\$ -</b>     | <b>\$ -</b>                  |

**Payables at year end were as follows:**

|  | <b>Accounts<br/>Payable</b> | <b>Accrued<br/>Wages<br/>Payable</b> | <b>Due to<br/>Other<br/>Gov't</b> | <b>Due To<br/>Other<br/>Funds</b> | <b>Accrued<br/>Expenses</b> | <b>Other</b> | <b>Total<br/>Payables</b> |
|--|-----------------------------|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------|--------------|---------------------------|
| <b>Governmental Activities:</b>                          |                             |                                      |                                   |                                   |                             |              |                           |
| General Fund   | \$ 59,972                   | \$ 497,141                           | \$ 1,066,671                      | \$ -                              | \$ 10,753                   | \$ -         | \$ 1,634,537              |
| Other Major Governmental Funds                           | -                           | -                                    | -                                 | 255,940                           | -                           | -            | 255,940                   |
| Non-major Governmental Funds                             | 5,837                       | 110,549                              | -                                 | 94,652                            | 9,824                       | -            | 220,862                   |
| Internal Service Funds                                   | 1,960                       | -                                    | -                                 | -                                 | 46,071                      | -            | 48,031                    |
| <b>Total Governmental Type<br/>Activities</b>            | <b>\$ 67,769</b>            | <b>\$ 607,690</b>                    | <b>\$ 1,066,671</b>               | <b>\$ 350,592</b>                 | <b>\$ 66,648</b>            | <b>\$ -</b>  | <b>\$ 2,159,370</b>       |
| Amounts not scheduled for payment during subsequent year | \$ -                        | \$ -                                 | \$ -                              | \$ -                              | \$ -                        | \$ -         | \$ -                      |
| <b>Business-Type Activities:</b>                         |                             |                                      |                                   |                                   |                             |              |                           |
| Major Enterprise Funds                                   | \$ -                        | \$ -                                 | \$ -                              | \$ -                              | \$ -                        | \$ -         | \$ -                      |
| Non-major Enterprise Fund                                | -                           | -                                    | -                                 | -                                 | -                           | -            | -                         |
| <b>Total Business-Type Activities</b>                    | <b>\$ -</b>                 | <b>\$ -</b>                          | <b>\$ -</b>                       | <b>\$ -</b>                       | <b>\$ -</b>                 | <b>\$ -</b>  | <b>\$ -</b>               |

## F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the current year was as follows:

|   | Primary Government   |                     |                           |                      |
|---|----------------------|---------------------|---------------------------|----------------------|
|   | Beginning Balance    | Additions           | Retirements / Adjustments | Ending Balance       |
| <b>Governmental Activities:</b>                   |                      |                     |                           |                      |
| <u>Capital Assets Not Being Depreciated:</u>      |                      |                     |                           |                      |
| Land  | \$ 250,760           | \$ -                | \$ -                      | \$ 250,760           |
| Construction In Progress                          | -                    | -                   | -                         | -                    |
| <u>Capital Assets Being Depreciated:</u>          |                      |                     |                           |                      |
| Buildings and Improvements                        | 36,937,748           | 2,078,964           | -                         | 39,016,712           |
| Furniture and Equipment                           | 5,324,653            | 280,924             | -                         | 5,605,577            |
| <b>Totals at Historic Cost</b>                    | <b>\$ 42,513,161</b> | <b>\$ 2,359,888</b> | <b>\$ -</b>               | <b>\$ 44,873,049</b> |
| <b>Less Accumulated Depreciation for:</b>         |                      |                     |                           |                      |
| Buildings and Improvements                        | \$ 21,749,807        | \$ 812,328          | \$ -                      | \$ 22,562,135        |
| Furniture and Equipment                           | 3,421,717            | 362,392             | -                         | 3,784,109            |
| <b>Total Accumulated Depreciation</b>             | <b>\$ 25,171,524</b> | <b>\$ 1,174,720</b> | <b>\$ -</b>               | <b>\$ 26,346,244</b> |
| <b>Governmental Activities Capital Assets-Net</b> | <b>\$ 17,341,637</b> | <b>\$ 1,185,168</b> | <b>\$ -</b>               | <b>\$ 18,526,805</b> |

### Depreciation expense was charged to governmental functions as follows:

|  |                     |
|--|---------------------|
| Instruction  | \$ 841,238          |
| Instructional Resources  | 1,009               |
| Student (Pupil) Transportation   | 83,212              |
| Food Services  | 6,211               |
| Extracurricular Activities   | 151,053             |
| General Administration   | 7,756               |
| Plant Maintenance and Operations   | 60,604              |
| Security and Monitoring Services   | 1,500               |
| Data Processing Services   | 22,137              |
| In addition, depreciation on capital assets held by the District's Internal Service Fund(s) is charged to the various functions based on their usage of the assets | -                   |
| <b>Total Depreciation Expense</b>  | <b>\$ 1,174,720</b> |

The District has no capital assets that are not being depreciated as of the current fiscal year end except for land as previously listed.

## G. SHORT-TERM DEBT PAYABLE

The District accounts for short-term debts for maintenance purposes through the General Fund. Short-term debts include notes made in accordance with the provisions of the Texas Education Code Section 45.108. The proceeds from loans are shown in the governmental fund financial statements as Other Resources and principal payments are shown as Other Uses. The District had no short-term debt obligations at any time during the current fiscal year.

## H. BONDS, NOTES, AND OTHER LONG-TERM DEBT

The following is a summary of the District's long-term debt for the year ended August 31, 2020:

|  | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance   | Due Within<br>One Year |
|--|----------------------|-------------------|---------------------|---------------------|------------------------|
| <b>Governmental Activities:</b>                            |                      |                   |                     |                     |                        |
| Bonds and Notes Payable:                                   |                      |                   |                     |                     |                        |
| General Obligation Bonds                                   | \$ 4,365,000         | \$ -              | \$ 490,000          | 3,875,000           | \$ 505,000             |
| Premium on Bond Issuance                                   | 368,099              | -                 | 76,488              | 291,611             | -                      |
| Tax Maintenance Notes                                      | 4,439,000            | -                 | 468,000             | 3,971,000           | 264,000                |
| Capital Leases   | -                    | -                 | -                   | -                   | -                      |
| <b>Total Bonds and Notes Payable</b>                       | <b>\$ 9,172,099</b>  | <b>\$ -</b>       | <b>\$ 1,034,488</b> | <b>\$ 8,137,611</b> | <b>\$ 769,000</b>      |
| Other Liabilities:   |                      |                   |                     |                     |                        |
| Compensated Absences                                       | \$ 582,607           | \$ 213,968        | \$ 257,411          | 539,164             | \$ 277,628             |
| Accrued Interest Payable                                   | 10,966               | 245,438           | 246,752             | 9,652               | 9,652                  |
| <b>Total Other Liabilities</b>                             | <b>\$ 593,573</b>    | <b>\$ 459,406</b> | <b>\$ 504,163</b>   | <b>\$ 548,816</b>   | <b>\$ 287,280</b>      |
| <b>Total Governmental Activities Long-Term Liabilities</b> | <b>\$ 9,765,672</b>  | <b>\$ 459,406</b> | <b>\$ 1,538,651</b> | <b>\$ 8,686,427</b> | <b>\$ 1,056,280</b>    |

### Debt Payable - Governmental Activities:

| Description   | Interest<br>Rate | Original<br>Issue | Interest<br>Current<br>Year | Begin Year<br>Balance | Additions   | Reductions          | End of Fiscal<br>Year Balance |
|---|------------------|-------------------|-----------------------------|-----------------------|-------------|---------------------|-------------------------------|
| <b>General Obligation Bonds</b>                               |                  |                   |                             |                       |             |                     |                               |
| Series 2015 Refunding Bonds                                   | 2.0% - 3.5%      | \$ 5,390,000      | \$ 142,525                  | \$ 4,365,000          | \$ -        | \$ 490,000          | \$ 3,875,000                  |
| <b>Total General Obligation Bonds</b>                         |                  |                   | <b>\$ 142,525</b>           | <b>\$ 4,365,000</b>   | <b>\$ -</b> | <b>\$ 490,000</b>   | <b>\$ 3,875,000</b>           |
| <b>Premium on Bond Issuance</b>                               |                  |                   |                             | <b>\$ 368,099</b>     | <b>\$ -</b> | <b>\$ 76,488</b>    | <b>\$ 291,611</b>             |
| <b>Tax Maintenance Notes</b>                                  |                  |                   |                             |                       |             |                     |                               |
| 2017 Maintenance Tax Notes                                    | 2.39%            | \$ 2,201,000      | \$ 46,725                   | \$ 1,955,000          | \$ -        | \$ 130,000          | \$ 1,825,000                  |
| 2017 Series Time Warrants                                     | 1.69%            | 1,000,000         | 5,712                       | 338,000               | -           | 338,000             | -                             |
| 2019 Maintenance Tax Notes                                    | 4.00%            | 2,146,000         | 51,790                      | 2,146,000             | -           | -                   | 2,146,000                     |
| <b>Total Notes Payable</b>                                    |                  |                   | <b>\$ 104,227</b>           | <b>\$ 4,439,000</b>   | <b>\$ -</b> | <b>\$ 468,000</b>   | <b>\$ 3,971,000</b>           |
| <b>Total Long-Term Debt Payable - Governmental Activities</b> |                  |                   | <b>\$ 246,752</b>           | <b>\$ 9,172,099</b>   | <b>\$ -</b> | <b>\$ 1,034,488</b> | <b>\$ 8,137,611</b>           |



The following table summarizes the future annual debt service requirements of the District's long-term debt as of the end of the current fiscal year.

|               | General Obligation Bonds |                   | Tax Maintenance Notes |                   | Capital Leases |             | Totals              |                     |
|---------------|--------------------------|-------------------|-----------------------|-------------------|----------------|-------------|---------------------|---------------------|
|               | Principal                | Interest          | Principal             | Interest          | Principal      | Interest    | Principal           | Interest            |
| 2021          | \$ 505,000               | \$ 127,825        | \$ 264,000            | \$ 93,550         | \$ -           | -           | \$ 769,000          | \$ 221,375          |
| 2022          | 520,000                  | 112,675           | 270,000               | 87,191            | -              | -           | 790,000             | 199,866             |
| 2023          | 535,000                  | 97,075            | 276,000               | 80,688            | -              | -           | 811,000             | 177,763             |
| 2024          | 550,000                  | 81,025            | 283,000               | 74,042            | -              | -           | 833,000             | 155,067             |
| 2025          | 570,000                  | 61,775            | 290,000               | 67,217            | -              | -           | 860,000             | 128,992             |
| 2026-2030     | 1,195,000                | 63,000            | 2,588,000             | 273,714           | -              | -           | 3,783,000           | 336,714             |
| <b>Totals</b> | <b>\$ 3,875,000</b>      | <b>\$ 543,375</b> | <b>\$ 3,971,000</b>   | <b>\$ 676,402</b> | <b>\$ -</b>    | <b>\$ -</b> | <b>\$ 7,846,000</b> | <b>\$ 1,219,777</b> |

### I. COMMITMENTS UNDER OPERATING LEASES

Commitments under operating (non-capitalized) lease agreements for facilities and equipment provide for minimum future rental payments at year end as follows (the imputed interest on the leases range from 4.50% to 5.25%:

| <b>Year Ending August 31</b>                      |                   |
|---|-------------------|
| 2021  | \$ 58,800         |
| 2022  | 24,500            |
| 2023  | -                 |
| 2024  | -                 |
| 2025  | -                 |
| 2026-2030   | -                 |
| <b>Total Minimum Future Rentals</b>               | <b>\$ 83,300</b>  |
| <b>Rental Expenditures in Current Fiscal Year</b> | <b>\$ 103,598</b> |

### J. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in "lump sum" cash payment to such employee or his/her estate. Individuals employed after October 1, 1985, are not eligible to receive the lump sum payments.

### K. HEALTH CARE COVERAGE

The District provided health insurance coverage for employees under the provisions of the Teacher Retirement System of Texas (TRS) active care health insurance plan during the current year. The District paid monthly premiums for covered employee to the plan. Employees, at their option, authorized payroll withholdings to pay premiums in excess of the amount funded by the District as set by District policy. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

**L. DEFERRED INFLOW/UNEARNED REVENUE – GOVERNMENTAL FUND STATEMENTS**

Unavailable revenue / deferred inflow of resources at year-end consisted of the following:

|   | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Funds</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Total</b>      |
|---|-------------------------|--------------------------------------|----------------------------------|-------------------|
| <u>Unearned revenue at year end consisted of the following:</u> |                         |                                      |                                  |                   |
| Unearned Grant Revenues   | \$ -                    | \$ 32,376                            | \$ -                             | \$ 32,376         |
| <b>Total Unearned Revenues</b>                                  | <b>\$ -</b>             | <b>\$ 32,376</b>                     | <b>\$ -</b>                      | <b>\$ 32,376</b>  |
| <u>Deferred Inflows at year end consisted of the following:</u> |                         |                                      |                                  |                   |
| Net Unearned Tax Revenue  | \$ 154,240              | \$ -                                 | \$ 23,170                        | \$ 177,410        |
| <b>Total Deferred Inflows</b>                                   | <b>\$ 154,240</b>       | <b>\$ -</b>                          | <b>\$ 23,170</b>                 | <b>\$ 177,410</b> |

**M. DUE FROM OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments at year end 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” except for some federal programs which are received directly from the federal government for grants.

| <b>FUND</b>                    | <b>Due from State -<br/>Foundation<br/>Revenue</b> | <b>Due from State -<br/>State and Federal<br/>Grants</b> | <b>Due from Others</b> | <b>TOTAL</b>        |
|--------------------------------|--|--|------------------------|---------------------|
| General                        | \$ 1,073,022                                       | \$ -   | \$ -                   | \$ 1,073,022        |
| Major Special Revenue Fund     | -  | 255,940  | -                      | 255,940             |
| Nonmajor Special Revenue Funds | -  | 119,097  | -                      | 119,097             |
| <b>Totals</b>                  | <b>\$ 1,073,022</b>                                | <b>\$ 375,037</b>  | <b>\$ -</b>            | <b>\$ 1,448,059</b> |

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

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

|                                    | General<br>Fund     | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Total               |
|------------------------------------|---------------------|----------------------------|-------------------------|---------------------|
| Property Taxes                     | \$ 3,851,067        | \$ -                       | \$ 586,271              | \$ 4,437,338        |
| Property Tax Penalty & Interest    | 67,494              | -                          | 9,625                   | 77,119              |
| Investment Income                  | 27,430              | -                          | 959                     | 28,390              |
| Rents                              | 17,732              | -                          | -                       | 17,732              |
| Food Sales                         | -                   | 76,881                     | -                       | 76,881              |
| Extracurricular Student Activities | 35,372              | -                          | -                       | 35,372              |
| SSA Revenues from Member District  | -                   | 369,637                    | -                       | 369,637             |
| Other Revenues                     | 14,781              | -                          | -                       | 14,781              |
| <b>Totals</b>                      | <b>\$ 4,013,876</b> | <b>\$446,519</b>           | <b>\$ 596,856</b>       | <b>\$ 5,057,250</b> |

**O. LITIGATION**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is aware of the potential pending exposure to claims related to these areas; however, legal counsel and the District do not expect any financial exposure to assets of the District.

**P. SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

The District as of the end of the fiscal year has not incurred or made any additional commitments in connection with construction or other areas of significance.

**Q. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS**

The District is a member of various shared services arrangements (SSA's) that are accounted for using Model 3 in the Texas Education Agency (TEA) accounting guide for school districts. The SSA's provides services for member districts. Other districts or Dublin ISD serve as the fiscal agent for the SSA's. In addition to the District, other member districts participate in the shared services arrangements also. The fiscal agent for each SSA provides SSA services. The member districts provide the funds to the fiscal agent. According to guidance provided in the TEA's Resource Guide, the fiscal agent for each SSA has accounted for the fiscal agent's activities of the SSA in special revenue funds. The Shared Services Arrangements listed below have been accounted for using Model 3 in the SSA section of the Resource Guide. The District has accounted for the payments to the fiscal agent in the General Fund No. 199 as intergovernmental expenditures (function 93). A chart detailing the District's participation in the shared services arrangement is as follows:

| Shared Services<br>Arrangement            | Type of<br>Services  | Fiscal Agent | Funding<br>Source    | Fiscal                              |  | Program<br>Expenditures<br>Current Year |
|---|----------------------|--------------|----------------------|-------------------------------------|--|---|
|   |                      |              |                      | Agent<br>Special<br>Revenue<br>Fund | District<br>Special<br>Revenue<br>Fund |   |
| Greater Erath County<br>Special Education | Special<br>Education | Dublin ISD   | Special<br>Education | 437                                 | N.A.                                   | \$ 170,205                              |
| <b>TOTAL FUNCTION 93 EXPENDITURES</b>     |                      |              |                      |                                     |  | <b>\$ 170,205</b>                       |

The District also participates in shared service arrangements with other school districts for various educational activities. In addition to the District, other member districts participate in the educational cooperatives and the fiscal agent provides SSA services. The funding for each activity is received by the fiscal agent from the grantor agency. The fiscal agent then provides the funds to the member districts. According to guidance provided in TEA's Resource Guide, the Fiscal Agent has accounted for the fiscal agent's activities of the SSA in a Special Revenue Fund. The Shared Services Arrangements has been accounted for using Model 1 in the SSA section of the TEA Resource Guide. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the district have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. The District had no reportable revenues and expenditures from shared service arrangements in which the District participates for the current fiscal year.

## **R. SUBSEQUENT EVENTS**

In preparing the basic financial statements, District administration has evaluated events and transactions for potential recognition or disclosure through **January 11, 2021**, the date this Annual Financial Report was available to be issued. No material subsequent events occurred requiring disclosure.

## **S. RELATED ORGANIZATIONS**

The District at present does not maintain an educational foundation and it does not receive material support from related entities as defined under current governmental accounting standards. These entities are usually established as not-for-profit entities to provide assistance and support for teachers and students to develop special programs and projects and other school district support activities. Booster clubs and parent teacher organizations that support the District are considered immaterial to the financial statements.

## **T. RELATED PARTY TRANSACTIONS**

The District did not incur any material reportable related party transactions or balances as of and during the current year.

## **U. FUND BALANCE / NET POSITION ADJUSTMENTS**

The District did not make fund balance or net position adjustments during the current fiscal year.

## **V. RISK FINANCING AND OTHER COVERAGE**

### **Workers' Compensation Program**

The District has a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. The District participates in this plan (School Comp. self-funded workers' compensation program) along with other participating entities. The District contributes annual amounts determined by School Comp. As claims arise, they are submitted to and paid by School Comp. on behalf of the District under terms of a contractual agreement. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Coverage was in effect for specific occurrences exceeding \$300,000 and aggregate retention at \$5,000,000.

The costs associated with this self-insurance plan are reported as Interfund transactions to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. The liabilities of the plan include incurred but not reported claims. These liabilities reported in the funds at year end and are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their present value using an expected future investment yield assumption.

Estimates of claims payable and of claims incurred, but not reported at August 31 are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due. Changes in the balances of claims liabilities during the past two years are as follows:

|  | Prior Fiscal<br>Year | Current<br>Fiscal Year |
|--|----------------------|------------------------|
| Unpaid claims, beginning of year                     | \$ 25,157            | \$ 27,153              |
| Incurred claims (including IBNR'S)                   | 7,213                | 54,439                 |
| Claim Payments / Change in Estimate of IBNR          | (5,217)              | (35,521)               |
| <b>Unpaid claims, end of year (including IBNR'S)</b> | <b>\$ 27,153</b>     | <b>\$ 46,071</b>       |

## W. DEFINED BENEFIT PENSION PLAN

### 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 / Applicable Disclosure Dates

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at

<http://www.trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting *About TRS* then *Publications* then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

For disclosure in this footnote, applicable dates and periods are as follows: 1) the fiscal year reporting date and period are August 31, 2020 and the twelve months then ended; 2) the measurement date for the pension data was August 31, 2019 (date of actuarial valuation) and the measurement period was the period September 1, 2018 through August 31, 2019; 3) the previous measurement date and date of prior actuarial valuation was August 31, 2018.

**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.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

**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 fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 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 |            |
|---|--------------------|------------|
|   | 2019               | 2020       |
| Member  | 7.7%               | 7.7%       |
| Non-Employer Contributing Entity (State)  | 6.8%               | 7.5%       |
| Employers   | 6.8%               | 7.5%       |
| Current fiscal year employer contributions  |                    | \$ 238,964 |
| Current fiscal year member contributions  |                    | \$ 639,406 |
| 2019 measurement year NECE on-behalf contributions                                |                    | \$ 412,200 |
| <u>Payments made by the State On-Behalf of the District for Medicare, Part D:</u> |                    |            |
| Fiscal year 2018 Medicare, Part D On-Behalf                                       |                    | \$ 24,122  |
| Fiscal year 2019 Medicare, Part D On-Behalf                                       |                    | \$ 29,639  |
| Fiscal year 2020 Medicare, Part D On-Behalf                                       |                    | \$ 35,431  |

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.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal

Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

**e. Actuarial Assumptions**

The total pension liability in the measurement date actuarial valuation was determined using the following actuarial assumptions:

|   |  |
|---|--|
| Valuation Date  | August 31, 2018 rolled forward to August 31, 2019  |
| Actuarial Cost Method                                       | Individual Entry Age Normal  |
| Asset Valuation Method                                      | Market Value   |
| Single Discount Rate  | 7.25%  |
| Long-term expected investment rate of return                | 7.25%  |
| Municipal Bond Rate of of August 2019                       | 2.69%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" |
| Last year ending August 31 in Projection Period (100 years) | 2116   |
| Inflation   | 2.30%  |
| Salary Increases including inflation                        | 3.05 % to 9.05% including inflation  |
| Ad hoc post-employment benefit changes                      | None   |

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

**f. Discount Rate**

The discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increased 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 e available to make all future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are



combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date (see page 52 of the TRS CAFR) are summarized below:

| Asset Class                                  | FY 2019 Target Allocation <sup>1</sup><br>% | New Target Allocation <sup>2</sup><br>% | Long-Term Expected Geometric Real Rate of Return <sup>3</sup> |
|--|---|---|---|
| <b>Global Equity</b>                         |   |   |   |
| USA  | 18.0%                                       | 18.0%                                   | 6.4%  |
| Non-U.S. Developed                           | 13.0%                                       | 13.0%                                   | 6.3%  |
| Emerging Markets                             | 9.0%  | 9.0%                                    | 7.3%  |
| Directional Hedge Funds                      | 4.0%  | -                                       | -   |
| Private Equity                               | 13.0%                                       | 14.0%                                   | 8.4%  |
| <b>Stable Value</b>                          |   |   |   |
| U.S. Treasuries <sup>4</sup>                 | 11.0%                                       | 16.0%                                   | 3.1%  |
| Stable Value Hedge Funds                     | 4.0%  | 5.0%                                    | 4.5%  |
| Absolute Return                              | 0.0%  | 0.0%                                    | 0.0%  |
| <b>Real Return</b>                           |   |   |   |
| Global Inflation Linked Bonds <sup>4</sup>   | 3.0%  | -                                       | -   |
| Real Estate                                  | 14.0%                                       | 15.0%                                   | 8.5%  |
| Energy, Natural Resources and Infrastructure | 5.0%  | 6.0%                                    | 7.3%  |
| Commodities                                  | 0.0%  | 0.0%                                    | 0.0%  |
| <b>Risk Parity</b>                           |   |   |   |
| Risk Parity                                  | 5.0%  | 8.0%                                    | 5.8%/6.5% <sup>5</sup>  |
| <b>Leverage</b>                              |   |   |   |
| Cash   | 1.0%  | 2.0%                                    | 2.50%   |
| Asset Allocation Leverage                    | -   | -6.0%                                   | 2.70%   |
| <b>Expected Return</b>                       | <b>100.00%</b>                              | <b>100.00%</b>                          | <b>7.23%</b>  |

<sup>1</sup> Target allocations are based on the Strategic Asset Allocation as of FY2019  
<sup>2</sup> New allocations are based on the Strategic Asset Allocation to be implemented FY2020  
<sup>3</sup> 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%  
<sup>4</sup> New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.  
<sup>5</sup> 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

#### g. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

|  | 1% Decrease in<br>Discount Rate<br>(6.25%) | Discount Rate<br>(7.25%) | 1% Increase in<br>Discount Rate<br>(8.25%) |
|--|--|--------------------------|--|
| District's proportionate share of the net pension liability: | \$ 5,456,133                               | \$ 3,549,523             | \$ 2,004,801                               |

#### h. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At the fiscal year reporting date, the District reported the liability 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 | \$ 3,549,523        |
| State's proportionate share that is associated with the District       | <u>6,122,172</u>    |
| Total  | <u>\$ 9,671,695</u> |

The net pension liability was measured as of the previous measurement date and rolled forward to the current measurement date and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the measurement 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 measurement period.

On the measurement date, the employer's proportion of the collective net pension liability and the percentage increase (decrease) from its proportion measured as of the previous measurement date are shown in the required supplementary information in Exhibit G-2.

### Changes Since the Prior Actuarial Valuation

- The single discount rate on the previous measurement date was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent on the measurement date.
- With the enactment of SB 3 by the 2019 Texas Legislature, and assumption has been made about how this would impact future salaries. It is assumed that eligible active members will receive a \$2,700 increase in fiscal year 2020. This is an addition to the salary increase expected in the actuarial assumptions.
- The Texas legislature approved funding for a 13<sup>th</sup> check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2018 in either the matching amount of their monthly annuity payment or \$2,000 whichever is less.

For the current fiscal year, the District recognized the following:

|  |                     |
|--|---------------------|
| Year Ended August 31, 2020 pension expense | <u>\$ 1,692,930</u> |
| Revenue for support provided by the State  | <u>\$ 961,707</u>   |

At the end of the current fiscal year, 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<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual actuarial experiences   | \$ 14,911                         | \$ 123,245                       |
| Changes in actuarial assumptions  | 1,101,236                         | 455,083                          |
| Differences between projected and actual investment earnings  | 35,641                            | -                                |
| Changes in proportion and differences between the employer's contributions and the proportionate share of contributions | 345,454                           | 83,942                           |
| Total as of August 31, 2019 measurement date  | \$ 1,497,242                      | \$ 662,270                       |
| Contributions paid to TRS subsequent to the measurement date  | 238,964                           |                                  |
| Total as of fiscal year-end   | <u>\$ 1,736,206</u>               | <u>\$ 662,270</u>                |

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:

| <u>Fiscal year ended August 31,</u> | <u>Pension<br/>Expense Amount</u> |
|-------------------------------------|-----------------------------------|
| 2021                                | \$ 207,950                        |
| 2022                                | 167,747                           |
| 2023                                | 215,166                           |
| 2024                                | 197,650                           |
| 2025                                | 70,496                            |
| Thereafter                          | <u>(24,037)</u>                   |

## **X. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

### **Plan Description**

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

### **OPEB Plan Fiduciary Net Position / Applicable Disclosure Dates**

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 require 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 the TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)-542-6592.

For disclosure in this footnote, applicable dates and periods are as follows: 1) the fiscal year reporting date and period are August 31, 2019 and the twelve months then ended; 2) the measurement date for the pension data was August 31, 2019 (date of actuarial valuation) and the measurement period was the period September 1, 2018 through August 31, 2019; 3) the previous measurement date and date of prior actuarial valuation was August 31, 2018.

### **Benefits Provided**

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. 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 Premiums Rates          |          |              |
|--|----------|--------------|
|  | Medicare | Non-Medicare |
| Retiree or Surviving Spouse              | \$135    | \$200        |
| Retiree and Spouse                       | 529      | 689          |
| Retiree or Surviving Spouse and Children | 468      | 408          |
| Retiree and Family                       | 1020     | 999          |

### **Contribution**

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 charge based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 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 |           |
|--|--------------------|-----------|
|  | 2019               | 2020      |
| Member   | 0.65%              | 0.65%     |
| Non-Employer Contributing Entity (State)           | 1.25%              | 1.25%     |
| Employers  | 0.75%              | 0.75%     |
| Federal/Private Funding Remitted by Employers      | 1.25%              | 1.25%     |
| Current fiscal year employer contributions         |                    | \$ 72,426 |
| Current fiscal year member contributions           |                    | \$ 53,976 |
| 2019 measurement year NECE on-behalf contributions |                    | \$ 94,606 |

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

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

### Actuarial Assumptions

The total OPEB liability in the previous actuarial valuation was rolled forward to the current measurement date. The actuarial valuation was determined using the following actuarial assumptions:

|   |   |
|---|---|
| <b><u>Actuarial Methods and Assumptions:</u></b>            |   |
| Rates of Mortality  | General Inflation   |
| Rates of Retirement   | Wage Inflation  |
| Rates of Termination  | Expected Payroll Growth   |
| Rates of Disability Incidence                               |   |
| <b><u>Additional Actuarial Methods and Assumptions:</u></b> |   |
| Valuation Date  | August 31, 2018, rolled forward to August 31, 2019  |
| Actuarial Cost Method                                       | Individual Entry Age Normal   |
| Inflation   | 2.30%   |
| Single Discount Rate  | 2.63% as of August 31, 2019   |
| Aging Factors   | Based on plan specific experience   |
| Election Rates  | Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65 |
| Expenses  | Thirty-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                                      | None  |
| <b><u>Benefit Changes</u></b>                               |   |

The assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the previous measurement date TRS pension actuarial valuation that was rolled forward to measurement date.

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

- 2018 thresholds of \$850 / \$2,292 were indexed annually by 2.30%
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustment to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

### **Discount Rate**

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. The Discount Rate can be found in the 2019 TRS CAFR on page 71. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine

the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at a statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected *to not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

|   | 1% Decrease in<br>Discount Rate<br>(1.63%) | Discount Rate<br>(2.63%) | 1% Increase in<br>Discount Rate<br>(3.63%) |
|---|--|--------------------------|--|
| Proportionate share of the net OPEB liability | \$ 5,728,046                               | \$ 4,744,428             | \$ 3,974,941                               |

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs**

For the current fiscal year reporting date, the District reported a liability of \$4,744,428 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

|   |                      |
|---|----------------------|
| District's proportionate share of the collective net OPEB liability | \$ 4,744,428         |
| State's proportionate share that is associated with the District    | <u>6,304,282</u>     |
| Total   | <u>\$ 11,048,710</u> |

The Net OPEB Liability for the previous measurement date was rolled forward to the current measurement date 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 measurement period.

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

|   | 1% Decrease  | Current<br>Healthcare Cost<br>Trend Rate | 1% Increase  |
|---|--------------|--|--------------|
| Proportionate share of net OPEB liability | \$ 3,870,337 | \$ 4,744,428                             | \$ 5,915,306 |

**Changes Since the Prior Actuarial Valuation**

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

- The discount rate changed from 3.69 percent as of the previous measurement date to 2.63 percent as of the current measurement date. This change increased the total OPEB liability (TOL).
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The trend rates were reset to better reflect the plan’s anticipated experience. This change increased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouse of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the current fiscal year reporting period, the District recognized OPEB expense of \$318,424 and revenue of \$166,155 for support proved by the State.

At the current fiscal year end, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual actuarial experiences   | \$ 232,754                     | \$ 776,375                    |
| Changes in actuarial assumptions  | 263,516                        | 1,276,134                     |
| Differences between projected and actual investment earnings  | 512                            | -                             |
| Changes in proportion and differences between the employer's contributions and the proportionate share of contributions | 190,590                        | -                             |
| Contributions paid to TRS subsequent to the measurement date  | 72,426                         |                               |
| <b>Total as of fiscal year-end</b>  | <b>\$ 759,798</b>              | <b>\$ 2,052,509</b>           |

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:

| Fiscal year ended August 31, | OPEB Expense Amount |
|------------------------------|---------------------|
| 2021                         | \$ (237,919)        |
| 2022                         | (237,919)           |
| 2023                         | (238,085)           |
| 2024                         | (238,179)           |
| 2025                         | (238,156)           |
| Thereafter                   | (174,879)           |

## **Y. COMPENSATED ABSENCES**

Effective March 7, 2019, an employee who retires from employment with the District shall be eligible for reimbursement of accumulated state and local leave if the employee retires under the Teacher Retirement System of Texas or the Employees Retirement System of Texas; provides 90 days advance written notice to retire; the employee has at least five years of service with the District; and the employee has accumulated at least 30 days of available local leave. The employee is reimbursed for each day of unused state and local leave up to a maximum of 100 days at 75% of the employee's daily rate of pay in effect at the date of retirement.

The liability for compensated absences attributable to all employees currently eligible for reimbursement under the plan is recorded in the government-wide statements. Any liability existing at the end of the fiscal year for an eligible retired employee who is due reimbursement under the plan is reported as a current liability of the appropriate governmental fund.



**REQUIRED SUPPLEMENTARY INFORMATION**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED AUGUST 31, 2020

| Data<br>Control<br>Codes                              | Budgeted Amounts |              | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---|------------------|--------------|--------------------------------|--|
|   | Original         | Final        |                                |  |
| <b>REVENUES:</b>                                      |                  |              |                                |  |
| 5700 Total Local and Intermediate Sources             | \$ 4,085,035     | \$ 4,085,035 | \$ 4,013,876                   | \$ (71,159)  |
| 5800 State Program Revenues                           | 9,745,302        | 9,414,265    | 9,260,718                      | (153,547)  |
| 5900 Federal Program Revenues                         | 100,000          | 100,000      | 135,730                        | 35,730   |
| 5020 Total Revenues                                   | 13,930,337       | 13,599,300   | 13,410,324                     | (188,976)  |
| <b>EXPENDITURES:</b>                                  |                  |              |                                |  |
| Current:  |                  |              |                                |  |
| 0011 Instruction                                      | 6,650,162        | 6,665,162    | 6,045,294                      | 619,868  |
| 0012 Instructional Resources and Media Services       | 93,411           | 98,411       | 94,664                         | 3,747  |
| 0013 Curriculum and Instructional Staff Development   | 284,759          | 284,759      | 245,678                        | 39,081   |
| 0021 Instructional Leadership                         | 10,564           | 13,564       | 11,685                         | 1,879  |
| 0023 School Leadership                                | 878,147          | 948,147      | 927,205                        | 20,942   |
| 0031 Guidance, Counseling, and Evaluation Services    | 216,439          | 236,439      | 227,601                        | 8,838  |
| 0033 Health Services                                  | 164,518          | 166,518      | 162,392                        | 4,126  |
| 0034 Student (Pupil) Transportation                   | 519,013          | 515,013      | 399,302                        | 115,711  |
| 0035 Food Services                                    | 24,477           | 29,477       | 26,627                         | 2,850  |
| 0036 Extracurricular Activities                       | 955,999          | 955,999      | 782,518                        | 173,481  |
| 0041 General Administration                           | 660,371          | 660,371      | 597,385                        | 62,986   |
| 0051 Facilities Maintenance and Operations            | 1,666,519        | 1,686,519    | 1,633,612                      | 52,907   |
| 0052 Security and Monitoring Services                 | 253,422          | 233,422      | 199,334                        | 34,088   |
| 0053 Data Processing Services                         | 411,700          | 411,700      | 375,646                        | 36,054   |
| Capital Outlay:                                       |                  |              |                                |  |
| 0081 Facilities Acquisition and Construction          | 229,920          | 50,000       | -                              | 50,000   |
| Intergovernmental:                                    |                  |              |                                |  |
| 0093 Payments to Fiscal Agent/Member Districts of SSA | 220,000          | 220,000      | 170,205                        | 49,795   |
| 6030 Total Expenditures                               | 13,239,421       | 13,175,501   | 11,899,148                     | 1,276,353  |
| 1100 Excess of Revenues Over Expenditures             | 690,916          | 423,799      | 1,511,176                      | 1,087,377  |
| <b>OTHER FINANCING SOURCES (USES):</b>                |                  |              |                                |  |
| 7915 Transfers In                                     | 100,000          | -            | -                              | -  |
| 8911 Transfers Out (Use)                              | (790,916)        | (815,916)    | (748,342)                      | 67,574   |
| 7080 Total Other Financing Sources (Uses)             | (690,916)        | (815,916)    | (748,342)                      | 67,574   |
| 1200 Net Change in Fund Balances                      | -                | (392,117)    | 762,834                        | 1,154,951  |
| 0100 Fund Balance - September 1 (Beginning)           | 2,504,242        | 2,504,242    | 2,504,242                      | -  |
| 3000 Fund Balance - August 31 (Ending)                | \$ 2,504,242     | \$ 2,112,125 | \$ 3,267,076                   | \$ 1,154,951   |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR THE YEAR ENDED AUGUST 31, 2020

|  | FY 2020<br>Plan Year 2019 | FY 2019<br>Plan Year 2018 | FY 2018<br>Plan Year 2017 |
|--|---------------------------|---------------------------|---------------------------|
| District's Proportion of the Net Pension Liability (Asset)   | 0.006828222%              | 0.00642687%               | 0.006766763%              |
| District's Proportionate Share of Net Pension Liability (Asset)  | \$ 3,549,523              | \$ 3,537,505              | \$ 2,163,646              |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District              | 6,122,172                 | 6,511,486                 | 3,969,576                 |
| Total  | <u>\$ 9,671,695</u>       | <u>\$ 10,048,991</u>      | <u>\$ 6,133,222</u>       |
| District's Covered Payroll   | \$ 8,179,942              | \$ 7,665,284              | \$ 7,709,513              |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 43.39%                    | 46.15%                    | 28.06%                    |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                 | 75.24%                    | 73.74%                    | 82.17%                    |

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

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

| <u>FY 2017</u><br><u>Plan Year 2016</u> | <u>FY 2016</u><br><u>Plan Year 2015</u> | <u>FY 2015</u><br><u>Plan Year 2014</u> |
|---|---|---|
| 0.0064797%                              | 0.0065632%                              | 0.0046707%                              |
| \$ 2,448,577                            | \$ 2,320,004                            | \$ 1,247,609                            |
| 4,587,817                               | 4,044,973                               | 3,578,868                               |
| <u>\$ 7,036,394</u>                     | <u>\$ 6,364,977</u>                     | <u>\$ 4,826,477</u>                     |
| \$ 7,181,235                            | \$ 6,532,029                            | \$ 6,674,749                            |
| 35.10%                                  | 35.52%                                  | 18.69%                                  |
| 78.00%                                  | 78.43%                                  | 83.25%                                  |

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

|   | 2020         | 2019         | 2018         |
|---|--------------|--------------|--------------|
| Contractually Required Contribution                                 | \$ 238,964   | \$ 238,996   | \$ 216,505   |
| Contribution in Relation to the Contractually Required Contribution | (238,964)    | (238,996)    | (216,505)    |
| Contribution Deficiency (Excess)                                    | \$ -         | \$ -         | \$ -         |
| District's Covered Payroll  | \$ 8,303,963 | \$ 8,179,942 | \$ 7,665,284 |
| Contributions as a Percentage of Covered Payroll                    | 2.88%        | 2.92%        | 2.82%        |

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

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

|    | 2017      | 2016         | 2015         |
|----|-----------|--------------|--------------|
| \$ | 222,876   | \$ 205,876   | \$ 146,113   |
|    | (222,876) | (205,876)    | (146,113)    |
| \$ | -         | \$ -         | \$ -         |
| \$ | 7,709,513 | \$ 7,181,235 | \$ 6,532,029 |
|    | 2.89%     | 2.87%        | 2.24%        |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR THE YEAR ENDED AUGUST 31, 2020

|   | FY 2020<br>Plan Year 2019 | FY 2019<br>Plan Year 2018 | FY 2018<br>Plan Year 2017 |
|---|---------------------------|---------------------------|---------------------------|
| District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits                    | 0.010032362%              | 0.00970172%               | 0.009685496%              |
| District's Proportionate Share of Net OPEB Liability (Asset)  | \$ 4,744,428              | \$ 4,844,158              | \$ 4,211,859              |
| State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District              | 6,304,282                 | 6,250,892                 | 5,751,835                 |
| Total   | <u>\$ 11,048,710</u>      | <u>\$ 11,095,050</u>      | <u>\$ 9,963,694</u>       |
| District's Covered Payroll  | \$ 8,179,942              | \$ 7,665,284              | \$ 7,709,513              |
| District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | 58.00%                    | 63.20%                    | 54.63%                    |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                                 | 2.66%                     | 1.57%                     | 0.91%                     |

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

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

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

|   | 2020         | 2019         | 2018         |
|---|--------------|--------------|--------------|
| Contractually Required Contribution                                 | \$ 72,426    | \$ 71,202    | \$ 112,928   |
| Contribution in Relation to the Contractually Required Contribution | (72,426)     | (71,202)     | (112,928)    |
| Contribution Deficiency (Excess)                                    | \$ -         | \$ -         | \$ -         |
| District's Covered Payroll  | \$ 8,303,963 | \$ 8,179,942 | \$ 7,665,284 |
| Contributions as a Percentage of Covered Payroll                    | 0.87%        | 0.87%        | 1.47%        |

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.



**DUBLIN INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2020**

**A. Notes to Schedules for the TRS Pension / OPEB Plan**

**Changes Since the Prior Actuarial Valuation**

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, and assumption has been made about how this would impact future salaries. It is assumed that eligible active members will receive a \$2,700 increase in fiscal year 2020. This is an addition to the salary increase expected in the actuarial assumptions
- The Texas legislature approved funding for a 13<sup>th</sup> check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2018 in either the matching amount of their monthly annuity payment or \$2,000 whichever is less.

**B. Notes to Schedules for the TRS OPEB Plan**

**Changes Since the Prior Actuarial Valuation**

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

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the total OPEB liability (TOL).
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouse of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date -- There were no changes in benefit terms since the prior measurement date.

**DUBLIN INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2020**

**C. Stewardship, Compliance and Accountability**

**Budget**

The Board of Trustees (local school board) is legally required to adopt an annual budget (on a 12-month basis) for the general fund, the food service fund, and the debt service fund. The budgets must be prepared by August 20 and adopted by the local school board before expenditures are made and, if applicable, before the tax rate for the year is adopted. The required supplementary information for the general fund budget is reported in Exhibit G-1 “Budgetary Comparison Schedule – General Fund. The required Texas Education Agency (TEA) schedules for the food service fund and the debt service fund are presented in Exhibit’s J-2 “Budgetary Comparison Schedule – Child Nutrition Fund and Exhibit J-3 “Budgetary Comparison Schedule – Debt Service Fund”.

Once a budget is approved, it can be amended at the fund and function level only by majority vote of the members of the Board of Trustees.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under State of Texas law, appropriations lapse at year end August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year’s budget.

It is a violation of Texas State Law for expenditures to exceed the budget in any function of the general fund, the food service fund, or the debt service fund.

**Expenditures Exceeding Appropriation**

The following is disclosed related to expenditures and budget appropriations:

- The current year expenditures did not exceed appropriations in any functions in the general fund as detailed in Exhibit G-1 “Budgetary Comparison Schedule -General Fund”.
- The current year expenditures did not exceed appropriations in any functions in the food service fund as detailed in Exhibit J-2 “Budgetary Comparison Schedule -Child Nutrition Fund”.
- The current year expenditures did not exceed appropriations in the debt service fund as detailed in Exhibit J-3 “Budgetary Comparison Schedule -Debt Service Fund”.

**OTHER SUPPLEMENTARY INFORMATION –  
COMBINING SCHEDULES**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

| Data Control Codes                                       | 211<br>ESEA I, A<br>Improving<br>Basic Program | 240<br>National<br>Breakfast and<br>Lunch Program | 242<br>Summer<br>Feeding<br>Program | 244<br>Career and<br>Technical -<br>Basic Grant |
|--|--|---|-------------------------------------|---|
| <b>ASSETS</b>  |  |   |                                     |   |
| 1110 Cash and Cash Equivalents                           | \$ 54,718                                      | \$ -  | \$ -                                | \$ -  |
| 1220 Property Taxes - Delinquent                         | -  | -   | -                                   | -   |
| 1230 Allowance for Uncollectible Taxes                   | -  | -   | -                                   | -   |
| 1240 Due from Other Governments                          | -  | 39,218  | -                                   | -   |
| 1290 Other Receivables                                   | -  | -   | -                                   | -   |
| 1000 Total Assets  | <u>\$ 54,718</u>                               | <u>\$ 39,218</u>                                  | <u>\$ -</u>                         | <u>\$ -</u>                                     |
| <b>LIABILITIES</b>                                       |  |   |                                     |   |
| 2110 Accounts Payable                                    | \$ 1   | \$ 811  | \$ -                                | \$ -  |
| 2160 Accrued Wages Payable                               | 49,355   | 23,137  | -                                   | -   |
| 2170 Due to Other Funds                                  | -  | 14,773  | -                                   | -   |
| 2200 Accrued Expenditures                                | 5,362  | 497   | -                                   | -   |
| 2300 Unearned Revenue                                    | -  | -   | -                                   | -   |
| 2000 Total Liabilities                                   | <u>54,718</u>                                  | <u>39,218</u>                                     | <u>-</u>                            | <u>-</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |  |   |                                     |   |
| 2601 Unavailable Revenue - Property Taxes                | -  | -   | -                                   | -   |
| 2600 Total Deferred Inflows of Resources                 | <u>-</u>                                       | <u>-</u>  | <u>-</u>                            | <u>-</u>  |
| <b>FUND BALANCES</b>                                     |  |   |                                     |   |
| Restricted Fund Balance:                                 |  |   |                                     |   |
| 3450 Federal or State Funds Grant Restriction            | -  | -   | -                                   | -   |
| 3480 Retirement of Long-Term Debt                        | -  | -   | -                                   | -   |
| 3000 Total Fund Balances                                 | <u>-</u>                                       | <u>-</u>  | <u>-</u>                            | <u>-</u>  |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 54,718</u>                               | <u>\$ 39,218</u>                                  | <u>\$ -</u>                         | <u>\$ -</u>                                     |

| 255<br>ESEA II,A<br>Training and<br>Recruiting | 270<br>ESEA VI, Pt B<br>Rural & Low<br>Income | 289<br>Other Federal<br>Special<br>Revenue Funds | 313<br>SSA<br>IDEA, Part B<br>Formula | 314<br>SSA<br>IDEA, Part B<br>Preschool | 410<br>State<br>Instructional<br>Materials | 429<br>Other State<br>Special<br>Revenue Funds | 437<br>SSA<br>Special<br>Education |
|--|---|--|---------------------------------------|---|--|--|------------------------------------|
| \$ 6,855                                       | \$ -  | \$ 2,535   | \$ 40,097                             | \$ -                                    | \$ -                                       | \$ 23,195                                      | \$ 117,719                         |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | 79,879                                     | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| <u>\$ 6,855</u>                                | <u>\$ -</u>                                   | <u>\$ 2,535</u>                                  | <u>\$ 40,097</u>                      | <u>\$ -</u>                             | <u>\$ 79,879</u>                           | <u>\$ 23,195</u>                               | <u>\$ 117,719</u>                  |
| \$ (1)<br>6,179                                | \$ -  | \$ -   | \$ -                                  | \$ -                                    | \$ -                                       | \$ -   | \$ 4,277                           |
| -  | -   | -  | 30,200                                | -                                       | -  | -  | 1,678                              |
| -  | -   | -  | -                                     | -                                       | 79,879                                     | -  | -                                  |
| 677  | -   | -  | 3,251                                 | -                                       | -  | -  | 37                                 |
| -  | -   | 2,535  | 6,646                                 | -                                       | -  | 23,195   | -                                  |
| <u>6,855</u>                                   | <u>-</u>                                      | <u>2,535</u>                                     | <u>40,097</u>                         | <u>-</u>                                | <u>79,879</u>                              | <u>23,195</u>                                  | <u>5,992</u>                       |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | 111,727                            |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | <u>111,727</u>                     |
| <u>\$ 6,855</u>                                | <u>\$ -</u>                                   | <u>\$ 2,535</u>                                  | <u>\$ 40,097</u>                      | <u>\$ -</u>                             | <u>\$ 79,879</u>                           | <u>\$ 23,195</u>                               | <u>\$ 117,719</u>                  |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

| Data<br>Control<br>Codes             | Total<br>Nonmajor<br>Special<br>Revenue Funds                  | 511<br>Debt<br>Service<br>Fund      | Total<br>Nonmajor<br>Governmental<br>Funds |                   |
|--------------------------------------|--|-------------------------------------|--|-------------------|
| <b>ASSETS</b>                        |  |                                     |  |                   |
| 1110                                 | Cash and Cash Equivalents                                      | \$ 245,119                          | \$ 83,958                                  | \$ 329,077        |
| 1220                                 | Property Taxes - Delinquent                                    | -                                   | 30,893                                     | 30,893            |
| 1230                                 | Allowance for Uncollectible Taxes                              | -                                   | (7,723)                                    | (7,723)           |
| 1240                                 | Due from Other Governments                                     | 119,097                             | -  | 119,097           |
| 1290                                 | Other Receivables  | -                                   | 1,057                                      | 1,057             |
| 1000                                 | <b>Total Assets</b>  | <u>\$ 364,216</u>                   | <u>\$ 108,185</u>                          | <u>\$ 472,401</u> |
| <b>LIABILITIES</b>                   |  |                                     |  |                   |
| 2110                                 | Accounts Payable   | \$ 5,088                            | \$ 749                                     | \$ 5,837          |
| 2160                                 | Accrued Wages Payable  | 110,549                             | -  | 110,549           |
| 2170                                 | Due to Other Funds   | 94,652                              | -  | 94,652            |
| 2200                                 | Accrued Expenditures   | 9,824                               | -  | 9,824             |
| 2300                                 | Unearned Revenue   | 32,376                              | -  | 32,376            |
| 2000                                 | <b>Total Liabilities</b>                                       | <u>252,489</u>                      | <u>749</u>                                 | <u>253,238</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |                                     |  |                   |
| 2601                                 | Unavailable Revenue - Property Taxes                           | -                                   | 23,170                                     | 23,170            |
| 2600                                 | <b>Total Deferred Inflows of Resources</b>                     | <u style="text-align: right;">-</u> | <u>23,170</u>                              | <u>23,170</u>     |
| <b>FUND BALANCES</b>                 |  |                                     |  |                   |
| Restricted Fund Balance:             |  |                                     |  |                   |
| 3450                                 | Federal or State Funds Grant Restriction                       | 111,727                             | -  | 111,727           |
| 3480                                 | Retirement of Long-Term Debt                                   | -                                   | 84,266                                     | 84,266            |
| 3000                                 | <b>Total Fund Balances</b>                                     | <u>111,727</u>                      | <u>84,266</u>                              | <u>195,993</u>    |
| 4000                                 | <b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b> | <u>\$ 364,216</u>                   | <u>\$ 108,185</u>                          | <u>\$ 472,401</u> |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

| Data<br>Control<br>Codes                                       | 211<br>ESEA I, A<br>Improving<br>Basic Program | 240<br>National<br>Breakfast and<br>Lunch Program | 242<br>Summer<br>Feeding<br>Program | 244<br>Career and<br>Technical -<br>Basic Grant |
|--|--|---|-------------------------------------|---|
| <b>REVENUES:</b>   |  |   |                                     |   |
| 5700 Total Local and Intermediate Sources                      | \$ -   | \$ 76,881   | \$ -                                | \$ -  |
| 5800 State Program Revenues                                    | -  | 3,179   | -                                   | -   |
| 5900 Federal Program Revenues                                  | 451,830  | 441,806   | 211,309                             | 23,556  |
| 5020 Total Revenues  | 451,830  | 521,866   | 211,309                             | 23,556  |
| <b>EXPENDITURES:</b>   |  |   |                                     |   |
| Current:   |  |   |                                     |   |
| 0011 Instruction   | 434,830  | -   | -                                   | 23,556  |
| 0013 Curriculum and Instructional Staff Development            | -  | -   | -                                   | -   |
| 0021 Instructional Leadership                                  | -  | -   | -                                   | -   |
| 0031 Guidance, Counseling, and Evaluation Services             | -  | -   | -                                   | -   |
| 0035 Food Services   | -  | 618,775   | 122,168                             | -   |
| 0041 General Administration                                    | 17,000   | -   | -                                   | -   |
| 0051 Facilities Maintenance and Operations                     | -  | -   | -                                   | -   |
| Debt Service:  |  |   |                                     |   |
| 0071 Principal on Long-Term Debt                               | -  | -   | -                                   | -   |
| 0072 Interest on Long-Term Debt                                | -  | -   | -                                   | -   |
| 0073 Bond Issuance Cost and Fees                               | -  | -   | -                                   | -   |
| 6030 Total Expenditures  | 451,830  | 618,775   | 122,168                             | 23,556  |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | -  | (96,909)  | 89,141                              | -   |
| <b>OTHER FINANCING SOURCES (USES):</b>                         |  |   |                                     |   |
| 7915 Transfers In  | -  | 96,909  | -                                   | -   |
| 8911 Transfers Out (Use)                                       | -  | -   | (89,141)                            | -   |
| 7080 Total Other Financing Sources (Uses)                      | -  | 96,909  | (89,141)                            | -   |
| 1200 Net Change in Fund Balance                                | -  | -   | -                                   | -   |
| 0100 Fund Balance - September 1 (Beginning)                    | -  | -   | -                                   | -   |
| 3000 Fund Balance - August 31 (Ending)                         | \$ -   | \$ -  | \$ -                                | \$ -  |

| 255<br>ESEA II,A<br>Training and<br>Recruiting | 270<br>ESEA VI, Pt B<br>Rural & Low<br>Income | 289<br>Other Federal<br>Special<br>Revenue Funds | 313<br>SSA<br>IDEA, Part B<br>Formula | 314<br>SSA<br>IDEA, Part B<br>Preschool | 410<br>State<br>Instructional<br>Materials | 429<br>Other State<br>Special<br>Revenue Funds | 437<br>SSA<br>Special<br>Education |
|--|---|--|---------------------------------------|---|--|--|------------------------------------|
| \$ -   | \$ -  | \$ -   | \$ -                                  | \$ -                                    | \$ -                                       | \$ -   | \$ 369,637                         |
| -  | -   | -  | -                                     | -                                       | 89,211                                     | 6,400  | -                                  |
| 62,122   | 22,431  | 5,752  | 457,125                               | 8,796                                   | -  | -  | -                                  |
| 62,122   | 22,431  | 5,752  | 457,125                               | 8,796                                   | 89,211                                     | 6,400  | 369,637                            |
| 62,122   | 22,431  | 2,671  | 450,452                               | 8,796                                   | 89,211                                     | 6,400  | 94,827                             |
| -  | -   | 3,081  | 529                                   | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | 128,629                            |
| -  | -   | -  | 6,144                                 | -                                       | -  | -  | 108,799                            |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | 17,050                             |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| 62,122   | 22,431  | 5,752  | 457,125                               | 8,796                                   | 89,211                                     | 6,400  | 349,305                            |
| -  | -   | -  | -                                     | -                                       | -  | -  | 20,332                             |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | -                                  |
| -  | -   | -  | -                                     | -                                       | -  | -  | 20,332                             |
| -  | -   | -  | -                                     | -                                       | -  | -  | 91,395                             |
| \$ -   | \$ -  | \$ -   | \$ -                                  | \$ -                                    | \$ -                                       | \$ -   | \$ 111,727                         |



DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

| Data<br>Control<br>Codes  | Total<br>Nonmajor<br>Special<br>Revenue Funds | 511<br>Debt<br>Service<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|--------------------------------|--|
| <b>REVENUES:</b>  |   |                                |  |
| 5700 Total Local and Intermediate Sources                         | \$ 446,518                                    | \$ 596,856                     | \$ 1,043,374                               |
| 5800 State Program Revenues                                       | 98,790  | 109,014                        | 207,804                                    |
| 5900 Federal Program Revenues                                     | 1,684,727                                     | -                              | 1,684,727                                  |
| 5020 Total Revenues   | <u>2,230,035</u>                              | <u>705,870</u>                 | <u>2,935,905</u>                           |
| <b>EXPENDITURES:</b>  |   |                                |  |
| Current:  |   |                                |  |
| 0011 Instruction  | 1,195,296                                     | -                              | 1,195,296                                  |
| 0013 Curriculum and Instructional Staff Development               | 3,610   | -                              | 3,610                                      |
| 0021 Instructional Leadership                                     | 128,629                                       | -                              | 128,629                                    |
| 0031 Guidance, Counseling, and Evaluation Services                | 114,943                                       | -                              | 114,943                                    |
| 0035 Food Services  | 740,943                                       | -                              | 740,943                                    |
| 0041 General Administration                                       | 17,000  | -                              | 17,000                                     |
| 0051 Facilities Maintenance and Operations                        | 17,050  | -                              | 17,050                                     |
| Debt Service:   |   |                                |  |
| 0071 Principal on Long-Term Debt                                  | -   | 958,000                        | 958,000                                    |
| 0072 Interest on Long-Term Debt                                   | -   | 246,752                        | 246,752                                    |
| 0073 Bond Issuance Cost and Fees                                  | -   | 1,150                          | 1,150                                      |
| 6030 Total Expenditures   | <u>2,217,471</u>                              | <u>1,205,902</u>               | <u>3,423,373</u>                           |
| 1100 Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | <u>12,564</u>                                 | <u>(500,032)</u>               | <u>(487,468)</u>                           |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |   |                                |  |
| 7915 Transfers In   | 96,909  | 572,627                        | 669,536                                    |
| 8911 Transfers Out (Use)  | (89,141)                                      | -                              | (89,141)                                   |
| 7080 Total Other Financing Sources (Uses)                         | <u>7,768</u>                                  | <u>572,627</u>                 | <u>580,395</u>                             |
| 1200 Net Change in Fund Balance                                   | 20,332  | 72,595                         | 92,927                                     |
| 0100 Fund Balance - September 1 (Beginning)                       | <u>91,395</u>                                 | <u>11,671</u>                  | <u>103,066</u>                             |
| 3000 Fund Balance - August 31 (Ending)                            | <u>\$ 111,727</u>                             | <u>\$ 84,266</u>               | <u>\$ 195,993</u>                          |

**REQUIRED TEXAS EDUCATION AGENCY SCHEDULES**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2020

| Last 10 Years Ended<br>August 31 | (1)         | (2)          | (3)  |
|----------------------------------|-------------|--------------|--|
|                                  | Tax Rates   |              | Assessed/Appraised<br>Value for School<br>Tax Purposes |
|                                  | Maintenance | Debt Service |  |
| 2011 and prior years             | Various     | Various      | \$ Various   |
| 2012                             | 1.040000    | 0.232400     | 260,788,604  |
| 2013                             | 1.040000    | 0.222400     | 260,849,080  |
| 2014                             | 1.040000    | 0.222400     | 262,237,054  |
| 2015                             | 1.020000    | 0.222400     | 281,022,634  |
| 2016                             | 1.170000    | 0.072400     | 279,640,983  |
| 2017                             | 1.170000    | 0.072400     | 290,012,179  |
| 2018                             | 1.170000    | 0.162400     | 322,421,253  |
| 2019                             | 1.170000    | 0.162400     | 342,133,315  |
| 2020 (School year under audit)   | 1.068400    | 0.162400     | 360,909,160  |
| 1000 TOTALS                      |             |              |  |

| (10)<br>Beginning<br>Balance<br>9/1/2019 | (20)<br>Current<br>Year's<br>Total Levy | (31)<br>Maintenance<br>Collections | (32)<br>Debt Service<br>Collections | (40)<br>Entire<br>Year's<br>Adjustments | (50)<br>Ending<br>Balance<br>8/31/2020 |
|--|---|------------------------------------|-------------------------------------|---|--|
| \$ 42,676                                | \$ -                                    | \$ 175                             | \$ 38                               | \$ (1,219)                              | \$ 41,244                              |
| 6,130                                    | -                                       | 267                                | 60                                  | (253)                                   | 5,550                                  |
| 7,194                                    | -                                       | 390                                | 83                                  | (243)                                   | 6,478                                  |
| 7,860                                    | -                                       | 319                                | 68                                  | (234)                                   | 7,239                                  |
| 8,760                                    | -                                       | 707                                | 138                                 | -                                       | 7,915                                  |
| 9,543                                    | -                                       | 1,143                              | 71                                  | -                                       | 8,329                                  |
| 12,746                                   | -                                       | 2,232                              | 138                                 | 946                                     | 11,322                                 |
| 27,587                                   | -                                       | 7,837                              | 1,501                               | (2,975)                                 | 15,274                                 |
| 119,436                                  | -                                       | 70,680                             | 10,595                              | (5,960)                                 | 32,201                                 |
| -  | 4,441,889                               | 3,767,316                          | 573,579                             | -                                       | 100,994                                |
| <u>\$ 241,932</u>                        | <u>\$ 4,441,889</u>                     | <u>\$ 3,851,066</u>                | <u>\$ 586,271</u>                   | <u>\$ (9,938)</u>                       | <u>\$ 236,546</u>                      |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED AUGUST 31, 2020

| Data<br>Control<br>Codes                                       | Budgeted Amounts |            | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|--|------------------|------------|--------------------------------|--|
|  | Original         | Final      |                                |  |
| <b>REVENUES:</b>   |                  |            |                                |  |
| 5700 Total Local and Intermediate Sources                      | \$ 105,000       | \$ 105,000 | \$ 76,881                      | \$ (28,119)  |
| 5800 State Program Revenues                                    | 5,000            | 5,000      | 3,179                          | (1,821)  |
| 5900 Federal Program Revenues                                  | 598,597          | 598,597    | 441,806                        | (156,791)  |
| 5020 Total Revenues  | 708,597          | 708,597    | 521,866                        | (186,731)  |
| <b>EXPENDITURES:</b>   |                  |            |                                |  |
| Current:   |                  |            |                                |  |
| 0035 Food Services   | 733,597          | 733,597    | 618,775                        | 114,822  |
| 6030 Total Expenditures  | 733,597          | 733,597    | 618,775                        | 114,822  |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | (25,000)         | (25,000)   | (96,909)                       | (71,909)   |
| <b>OTHER FINANCING SOURCES (USES):</b>                         |                  |            |                                |  |
| 7915 Transfers In  | 25,000           | 139,150    | 96,909                         | (42,241)   |
| 1200 Net Change in Fund Balances                               | -                | 114,150    | -                              | (114,150)  |
| 0100 Fund Balance - September 1 (Beginning)                    | -                | -          | -                              | -  |
| 3000 Fund Balance - August 31 (Ending)                         | \$ -             | \$ 114,150 | \$ -                           | \$ (114,150)   |

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED AUGUST 31, 2020

| Data<br>Control<br>Codes  | Budgeted Amounts |            | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---|------------------|------------|--------------------------------|--|
|   | Original         | Final      |                                |  |
| <b>REVENUES:</b>  |                  |            |                                |  |
| 5700 Total Local and Intermediate Sources                         | \$ 572,298       | \$ 572,298 | \$ 596,856                     | \$ 24,558  |
| 5800 State Program Revenues                                       | 63,227           | 63,227     | 109,014                        | 45,787   |
| 5020 Total Revenues   | 635,525          | 635,525    | 705,870                        | 70,345   |
| <b>EXPENDITURES:</b>  |                  |            |                                |  |
| Debt Service:   |                  |            |                                |  |
| 0071 Principal on Long-Term Debt                                  | 490,000          | 958,000    | 958,000                        | -  |
| 0072 Interest on Long-Term Debt                                   | 142,525          | 276,963    | 246,752                        | 30,211   |
| 0073 Bond Issuance Cost and Fees                                  | 3,000            | 10,562     | 1,150                          | 9,412  |
| 6030 Total Expenditures   | 635,525          | 1,245,525  | 1,205,902                      | 39,623   |
| 1100 Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | -                | (610,000)  | (500,032)                      | 109,968  |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                  |            |                                |  |
| 7915 Transfers In   | 610,000          | 610,000    | 572,627                        | (37,373)   |
| 1200 Net Change in Fund Balances                                  | 610,000          | -          | 72,595                         | 72,595   |
| 0100 Fund Balance - September 1 (Beginning)                       | 11,671           | 11,671     | 11,671                         | -  |
| 3000 Fund Balance - August 31 (Ending)                            | \$ 621,671       | \$ 11,671  | \$ 84,266                      | \$ 72,595  |

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

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# James E. Rodgers and Company, P.C.

Certified Public Accountants

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Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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January 11, 2021

## Government Auditing Standards Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Trustees  
Dublin Independent School District  
Dublin, Texas 76446

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, the business type activities, each major fund, and the aggregate remaining fund information of Dublin Independent School District, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise Dublin Independent School District's basic financial statements, and have issued our report thereon dated January 11, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dublin Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 Dublin Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Dublin 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 may have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dublin 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 financial statements. 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.

Respectfully submitted,



James E. Rodgers and Company, P.C.

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# James E. Rodgers and Company, P.C.

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January 11, 2021

## Single Audit Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance

### Independent Auditor's Report

To the Board of Trustees  
Dublin Independent School District  
Dublin, Texas 76446

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

We have audited Dublin Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Dublin Independent School District's major federal programs for the year ended August 31, 2020. Dublin Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

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

#### Auditor's Responsibility

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

#### Opinion on Each Major Federal Program

In our opinion, Dublin Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

# James E. Rodgers and Company, P.C.

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## **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and therefore, are not described in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

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

Management of Dublin 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 Dublin Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dublin Independent School District's internal control over compliance.

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

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

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

Respectfully submitted,



James E. Rodgers and Company, P.C.

# James E. Rodgers and Company, P.C.

Certified Public Accountants

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## DUBLIN INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED AUGUST 31, 2020

### I. Summary of the Auditor's Results:

|     |   |                   |           |
|-----|---|-------------------|-----------|
| 1.  | The type of auditor's report opinion on whether the financial statements of the District were prepared in accordance with GAAP (generally accepted accounting standards): | <b>Unmodified</b> |           |
| 2.  | Internal control over financial reporting during the audit of the financial statements:   |                   |           |
| (a) | Significant deficiencies in internal control identified that are not considered to be material weaknesses.  |                   | <b>No</b> |
| (b) | Material weaknesses identified.   |                   | <b>No</b> |
| 3.  | Noncompliance, which is material to the financial statements.   |                   | <b>No</b> |
| 4.  | Internal Control over major federal programs:   |                   |           |
| (a) | Significant deficiencies in internal control identified that are not considered to be material weaknesses.  |                   | <b>No</b> |
| (b) | Material weaknesses identified.   |                   | <b>No</b> |
| 5.  | Type of auditor's report opinion on compliance with major programs.   | <b>Unmodified</b> |           |
| 6.  | Audit findings that are required to report under Uniform Guidance 2 CFR Section 200.516(a).   |                   | <b>No</b> |
| 7.  | Identification of programs tested as major programs:<br>• <b>Special Education Cluster</b><br>IDEA Part B, Formula – CFDA 84.027<br>IDEA Part B, Preschool – CFDA 84.173  |                   |           |
| 8.  | Dollar threshold used to distinguish between Type A and Type B programs.  | <b>\$750,000</b>  |           |
| 9.  | District qualified as a low-risk auditee.   | <b>Yes</b>        |           |

### II. Findings Relating to the Financial Statements Which Are Required to Be Reported in Accordance with *Generally Accepted Government Auditing Standards (GAGAS)*

#### Finding 2020-001:

|    |                    |                        |
|----|--------------------|------------------------|
| a. | Condition:         | <b>None Identified</b> |
| b. | Criteria:          | N/A                    |
| c. | Cause:             | N/A                    |
| d. | Effect:            | N/A                    |
| e. | Recommendation:    | N/A                    |
| f. | District Response: | N/A                    |

### III. Findings and Questioned Costs Related to the Federal Awards

#### **Finding 2020-002:**

|    |                    |                        |
|----|--------------------|------------------------|
| a. | Condition:         | <b>None Identified</b> |
| b. | Criteria:          | N/A                    |
| c. | Cause:             | N/A                    |
| d. | Effect:            | N/A                    |
| e. | Recommendation:    | N/A                    |
| f. | District Response: | N/A                    |



# Dublin

## Independent School District

420 North Post Oak  
Dublin, Texas 76446

Dr. Rodney Schneider, Superintendent

Ms. Melissa Summers, Assist. Superintendent



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**DISD: Preparing students for tomorrow's world by building a stronger community today**

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### SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED AUGUST 31, 2020

**Prior Year Finding 2019-001:** The District did not have any prior year (fiscal year ended August 31, 2019) reportable findings.

**Current Status:** Not applicable since there were no prior findings.



# Dublin

## Independent School District

420 North Post Oak  
Dublin, Texas 76446

Dr. Rodney Schneider, Superintendent

Ms. Melissa Summers, Assist. Superintendent



**DISD: Preparing students for tomorrow's world by building a stronger community today**

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### **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED AUGUST 31, 2020**

The name of the contact person responsible for corrective action:

**Rodney Schneider, Superintendent**  
**District Phone Number: 254-445-3341**

There were no current year findings, thus, a corrective action plan is not required.

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

| (1)   | (2)                       | (3)  | (4)                     |
|---|---------------------------|--|-------------------------|
| FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM or CLUSTER TITLE | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures |
| <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                   | 20610101072902                               | \$ 451,830              |
| *SSA - IDEA - Part B, Formula   | 84.027                    | 206600010729026000                           | 457,125                 |
| *SSA - IDEA - Part B, Preschool                                       | 84.173                    | 206610010729026000                           | 8,796                   |
| Total Special Education Cluster (IDEA)                                |                           |  | 465,921                 |
| Career and Technical - Basic Grant                                    | 84.048                    | 20420006072902                               | 23,556                  |
| ESEA, Title VI, Part B - Rural & Low Income Prog.                     | 84.358B                   | 20696001072902                               | 22,431                  |
| ESEA, Title II, Part A, Teacher Principal Training                    | 84.367A                   | 20694501072902                               | 62,122                  |
| CARES Act Stimulus Grant  | 84.425D                   | 20521001072902                               | 324,898                 |
| Title IV Part A   | 84.424                    | 19680101072902                               | 3,081                   |
| LEP Summer School   | 84.369                    | 69551902                                     | 2,671                   |
| Total Passed Through State Department of Education                    |                           |  | 1,356,510               |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>                             |                           |  | 1,356,510               |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                 |                           |  |                         |
| <u>Passed Through the State Department of Agriculture</u>             |                           |  |                         |
| *School Breakfast Program   | 10.553                    | 71402001                                     | 113,527                 |
| *National School Lunch Program - Cash Assistance                      | 10.555                    | 71302001                                     | 283,329                 |
| *National School Lunch Prog. - Non-Cash Assistance                    | 10.555                    | 71302001                                     | 44,950                  |
| Total CFDA Number 10.555  |                           |  | 328,279                 |
| *Summer Feeding Program - Cash Assistance                             | 10.559                    | CE00356                                      | 211,309                 |
| Total Child Nutrition Cluster   |                           |  | 653,115                 |
| Total Passed Through the State Department of Agriculture              |                           |  | 653,115                 |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                           |                           |  | 653,115                 |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                           |                           |  | \$ 2,009,625            |

\*Clustered Programs

\$135,730 of SHARS (School Health and Related Services) reported as federal revenue in the General Fund is not reported on the Schedule of Expenditures of Federal Awards.



**DUBLIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and**  
**ACCOUNTING POLICIES FOR FEDERAL AWARDS**  
**YEAR ENDED AUGUST 31, 2020**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Dublin Independent School District (the "District") under programs of the federal government for the year ended August 31, 2020. 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District

**ACCOUNTING POLICIES**

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund that is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.
3. The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.
4. Federal grant funds are recorded as earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.
5. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.

**6. Indirect Costs**

The District did not elect to use a de minimis cost rate of 10% as described at 2CFR §200.414(f) – Indirect (F&A) Costs.

**DUBLIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and**  
**ACCOUNTING POLICIES FOR FEDERAL AWARDS**  
**YEAR ENDED AUGUST 31, 2020**

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**7. Reconciliation of Federal Awards**

The following is a reconciliation of expenditures of federal awards in the SEFA and federal program Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental funds.

|  |                     |
|--|---------------------|
| Federal program revenues per Exhibit C-3         | \$ 2,145,355        |
| Less School Health and Related Services ( SHARS) |                     |
| Reimbursement not report in SEFA                 | ( 135,730 )         |
| <br>   |                     |
| Total federal expenditures on Exhibit K-1 (SEFA) | <u>\$ 2,009,625</u> |

8. No amounts of federal financial assistance was passed through to subrecipients.